FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,236 Thursday February 2 1984 D 8523 B

Reagan sticks to his guns, Page 4

NEWS SUMMARY

GENERAL

Democrat policy on Lebanon attacked

The White House accused Democrats of playing election-year politics by pressing for the early withdrawal of U.S. marines from Lebanon and said that would play into Syrian hands.

White House aide Larry Speakes urged the Democrats to drop a motion urging a prompt pull-out, which is expected to come before the House of Representatives this month. **Page 20; Reagan sticks to his guns, Page 4**

In Beirut, Druze leader Walid Jumblatt accused the Lebanese Government of massing troops for an offensive, and said that renewed hostilities were inescapable. **Page 3**

In Sidon, south Lebanon, witnesses said Israeli soldiers wounded 10 civilians when they sprayed the main street with gunfire.

U.S. envoy called in

French Premier Pierre Mauroy summoned U.S. ambassador Evan Galbraith to his official residence after his radio description of Communist Transport Minister Charles Fiterman as an "unfortunate Frenchman who took the wrong path." Yesterday M. Fiterman called the ambassador "a crude and stupid person." **Page 2**

Soviet five expelled

Norway expelled five Soviet diplomats for "activities incompatible with their status." A high-ranking Norwegian official was arrested 12 days earlier on charges of being a Soviet agent.

MPs warned of 'spy'

South African Defence Minister Magnus Malan told parliament *there was another spy in the military*. A month ago a naval officer was jailed for life for spying for the Soviet Union.

Thatcher stays firm

British Premier Margaret Thatcher refused to change the government decision to ban trade unions from the security centre at Cheltenham. **Page 6**

Iran denial

Iran denied Iraq's claim that it had hit five Iranian ships in the Gulf on Tuesday. Iraq said it sank three Iranian ships yesterday.

Spanish dismissal

Spain's Prime Minister Sr Felipe González yesterday dismissed Sr José Sevilla, a top non-Cabinet member of the Government's economic team, after differences over financial and fiscal policies.

Chad victory

Chad Government forces wiped out a column of 300 Libyan-backed rebels heading south-west of Oum Chalouba.

China-Dutch accord

China and the Netherlands are to resume diplomatic relations at ambassador level, opening the way for trade. **Page 5**

Sakharov swap urged

International Sakharov Committee in Copenhagen urged Western countries to try to swap imprisoned East bloc spies for detained Soviet dissident Dr Andrei Sakharov.

Nigeria plans trials

Nigeria's military rulers say they will set up tribunals to try former politicians accused of corruption and other offences.

BUSINESS

Britoil buys big stake in Amax

BRITOIL is paying $83m for half of a large part of the U.S. oil and gas assets of Amax Petroleum, a subsidiary of Amax. **Page 20**

DOLLAR eased, partly on demand for the D-Mark, to DM 2.791 (DM 2.817), FFr 8.5525 (FFr 8.6175), SwFr 2.233 (SwFr 2.253) and Y234.1 (Y234.7). Its Bank of England trade-weighted index was down from 131.3 to 131.4. In New York it closed at DM 2.788, Y234.25, SwFr 2.234 and FFr 8.54. **Page 41**

STERLING gained 90 points at $1.4105 and improved to Y330.5 (Y329.25), but fell to DM 3.94 (DM 3.95), FFr 12.045 (FFr 12.075) and SwFr 3.1525 (SwFr 3.16). Its trade weighting was unchanged at 81.8. In New York it closed at $1.409. **Page 41**

GOLD rose $4.75 in London to $377.875, by $4.5 in Frankfurt to $378.25, and by $4 in Zurich to $377.5. *In New York, the Comex* February settlement was $379.3 ($373.8). **Page 40**

FRANKFURT: Commerzbank index rose 14 points to a record 1,093.6. **Report, Page 31; Leading prices, Page 34**

LONDON: FT Industrial Ordinary index fell 2.22 to 829.2. Some government securities showed minor falls. **Page 35, FT Share Information service, Pages 36, 37**

WALL STREET: Dow Jones industrial average closed 8.27 down at 1,212.31. **Report, Page 31; Full share prices; Pages 32–34**

TOKYO: Nikkei Dow index rose 4.71 to 10,200.81 Stock Exchange index was 1.19 up at 779.02. **Report, page 31; Leading prices, Page 34**

HONG KONG: Hang Seng index rose 6.16 to a 16-month high of 1,108.54 in the last session before the lunar new year holiday. **Report, Page 31; Leading prices, other exchanges, Page 34**

SPANISH steel exports were a record 7m tonnes in 1983, more than half of output, for the first time. **Page 5**

GREEK unions agreed to reconsider a decision to hold a general strike and decided to resume deadlocked pay talks.

OMAN is mining copper after a break of 1,000 years.

EEC has been advised to create a common market for broadcasting through harmonised legislation. **Page 2**

FRENCH Government is to complete plans next week for providing retraining and new jobs for workers made redundant in declining sectors of industry. **Page 2**

GSG (Gemeinnützige Siedlungsgesellschaft), a building company half-owned by evangelical church groups in West Germany, has applied for a court-supervised settlement of debts because of cash problems.

JVC of Japan and **CIC International**, the U.S. film distributor jointly owned by Universal and Paramount, are linking to exploit the undeveloped Japanese market for prerecorded video cassettes. **Page 5**

TENNECO, U.S. energy group, reported 1983 net income 12.6 per cent down at $716m.

ELECTROLUX, the Swedish household appliance group, pushed up pre-tax profits by 179 per cent in 1983 to Skr 1.7bn ($208m). **Page 21**

TUNGSRAM, the Hungarian light bulb maker, is taking steps to close its Irish subsidiary in Cork, on which it has lost about $7.4m since 1981.

METROTEC has been formed by five British suppliers of rail metro equipment and London Transport to bid for international metro projects. **Page 6**

Reagan's budget foresees $200bn deficits to 1987

BY STEWART FLEMING IN WASHINGTON

President Ronald Reagan yesterday sent to Congress a budget which projects continuing federal deficits around the $200bn mark until 1987 and which senior Administration officials conceded does not tackle the ominous *imbalance between excessive government spending and inadequate tax revenues*.

The 1985 budget proposes no large spending cuts or tax increases but calls for a continuation of the rapid build-up of U.S. defence expenditures, which has been a centrepiece of President Reagan's policies.

Political reaction to a budget message which has clearly been designed primarily as a platform to support the President's re-election campaign later this year was entirely predictable.

Democrats such as Mr Tip O'Neill, Speaker of The House, attacked the failure to propose to Congress – which is responsible for making the tax and spending decisions – measures to tackle the deficit.

"We cannot go the route of high deficits" he said, adding: "We are fearful of that time bomb if it explodes out there."

Senator Howard Baker, the Republican leader of the Senate, said. "I think it's a good, solid, sound budget" but regretted that it failed to address the "structural problems inherent in the future deficits."

Mr David Stockman, the President's director of the Office of Management and Budget, said at a press briefing yesterday that the budget message "reserves until next year the major spending reductions that will be needed to bring the budget into balance."

The budget presents an optimistic assessment of the economic prospects for the rest of the decade, projecting average real economic growth to 1989 of 4.3 per cent, inflation falling from 4.7 per cent to 4.3 per cent and long-term interest rates dropping from current levels of over 11 per cent to 5.5 per cent.

But Mr Martin Feldstein, chairman of the President's council of economic advisers, emphasised again that these projections could only be met if measures not proposed in the budget were enacted to cut back sharply the future deficits.

He emphasised that the Administration's longer term forecasts that the deficit will fall to around $123bn in 1989 depend heavily on assumptions of falling interest rates and steady growth.

The budget itself projects an increase in revenues from the $600bn received in fiscal year 1983 to $670bn in the current fiscal year and $745bn in 1985.

Spending is projected to rise to $925bn in 1985 compared with an expected $854.0bn in the current year and the $796bn spent in 1983. The 1985 deficit is projected to hit $180bn in 1985 compared with $184bn in the current year and $195bn last year.

The budget also highlights the growing problem presented by the *cost of servicing the federal debt*. The projection of a marked fall in interest rates tends to minimise the debt service threat.

Background, Page 4

Nissan to set up £50m car plant in Britain

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN LONDON

NISSAN, the second-largest Japanese vehicles group, is to establish a £50m ($70.5m) assembly plant in Britain to produce 24,000 cars a year from kits shipped in from Japan.

If this pilot project – due to come on stream in 1986 – proves successful, Nissan will enlarge the plant at a cost of £300m to make 100,000 cars a year. A substantial number would be exported.

The Japanese group will decide about the second phase by 1987. If it went ahead the enlarged plant would start production in 1990.

The company is considering eight potential sites in Britain and hopes *to announce* its choice in March. Humberside, Teesside and South Wales are thought the most likely areas.

Nissan sells about 100,000 cars a year in Britain and has a 6 per cent market share.

Mr Norman Tebbit, UK Trade and Industry Secretary, said yesterday that the project would make a significant long-term contribution to the strengthening of the British economy. The UK Government would contribute up to £35m in selective aid or 10 per cent of the overall estimated capital cost of both phases. No central government funds would be forthcoming unless Nissan decided to move into the second phase.

The plant will automatically attract either regional development grants or special development grants. The project could have maximum special development aid of £77m.

Nissan's assembly plant will provide between 400 and 500 direct jobs and, in phase two, the scheme would involve 2,700 jobs. The Trade and Industry Department estimates that the project during the second phase could bring a net 6,000 jobs to Britain.

The cars to be produced from Japanese kits will count as imports and be included in the agreement between the UK and Japanese industries. This limits the Japanese share of the UK new car market to a maximum of 11 per cent.

If Nissan moves into the second phase, it has undertaken to start with 60 per cent EEC content and move up to 80 per cent, measured by ex-factory value, within 18 months.

These cars will count as "British" and Mr Tebbit insisted yesterday that they would be treated as such by Britain's EEC partners.

The deal is still subject to Nissan reaching a satisfactory agreement with the British unions.

Nissan's UK deal; Editorial comment, Page 18; Reaction, Page 6; Euro steelmakers' plan awaits approval, Page 2

Wörner will stay as Bonn reinstates Kiessling

By Rupert Cornwell in Bonn

GENERAL Günter Kiessling, who had been dismissed from his post as deputy supreme commander of Nato in Europe on the ground that supposed homosexual leanings had made him a security risk, was yesterday reinstated by the West German Government, which admitted that "mistakes had been made."

At the same time, Chancellor Helmut Kohl announced that he had rejected offers from Herr Manfred Wörner, the Defence Minister, to resign, and ruled out all talk of a large reshuffle of his Cabinet.

It was far from clear last night, however, that the Chancellor's decisions, reached after two days of intense political consultations, would *suffice to lay to rest the month-old* "Kiessling affair" and the tribulations it has caused for the Government.

More than four weeks of public agitation have damaged the reputation of Herr Wörner, called into question the judgment of Herr Kohl and upset the country's military establishment.

The opposition Social Democrats (SPD), moreover, intend to press the matter further in parliament. Herr Hans-Jochen Vogel, the SPD leader, last night called Herr Kohl's decision "generally detrimental and politically irresponsible." Despite the general's rehabilitation, the parliamentary committee set up to investigate the scandal would continue its work regardless, he said.

The bland, formal solution to the affair came with an exchange of letters between the Defence Minister and Gen Kiessling, disclosed to a packed, and at times incredulous, press conference by the Chancellor himself.

In his letter of apology, Herr Wörner maintained that the two reports submitted to him on December 6 and 8 1983 by the security services and the State Secretary responsible gave him no choice but to retire the general prematurely as a potential security risk.

But the minister then admitted findings in the reports "could not be confirmed." It emerged that they contained "unfounded" information – an apparent reference to evidence purporting to show that Kiessling had visited Cologne bars known to be frequented by homosexuals.

Accordingly, he had asked for the immediate reinstatement of the general. Herr Wörner then apologised for the "serious wrongs" that had been inflicted upon the general, who all along has vehemently denied all the allegations against him.

Continued on Page 20

U.S. Steel bid for National steel assets

BY TERRY DODSWORTH IN NEW YORK

U.S. STEEL, the dominant steel producer in the U.S. industry, yesterday launched a $575m bid for National Intergroup's steel business in an ambitious plan for further rationalisation of the sector.

The offer follows only a few *months after two other leading* producers, LTV and Republic, announced merger proposals that would push them into the number two position in the U.S. steelmaking league. Although the project has been approved by its shareholders, it is still awaiting the go-ahead of the anti-trust authorities, who until recently had taken a tough line on steel industry mergers.

U.S. Steel's proposals are a potentially *greater challenge to the* regulatory authorities because, unlike LTV and Republic, neither of the two companies can argue that they are failing businesses. The takeover of National would also maintain U.S. Steel as by far the largest producer in the industry, with output based on last year's figures of around 16.6m tonnes, and a potential of probably well over 25m tonnes.

Mr David Roderick, chairman of U.S. Steel, has, however, taken an increasingly aggressive line recently on the need for structural reorganisation in the U.S. industry, and has now determined to test the political water.

NET PROFITS (LOSS) $m	National Intergroup	U.S. Steel
1979	126	(383)
1980	84	459
1981	86	1,077
1982	(463)	(361)
1983	(154)	(1160)

Under the terms of the offer, which has been agreed by the two boards, National Intergroup shareholders would receive $350m in cash – some of which will be funded by a new U.S. steel equity issue – and the other $225m in the form of 7,229 newly issued cumulative convertible junior preferred stock.

There is also an optional offer for $100m in cash, with the balance in 8,835 shares of cumulative convertible junior preference stock and 2m of adjustable-rate preferred shares.

In initial trading after suspension yesterday, U.S. Steel shares lost about $⅛ to $30⅞, and analysts said that some shareholders seemed unhappy with the potential dilution of their stake in the company. National Intergroup shares rose by about $1⅛ to $36½.

Continued on Page 20

U.S. Steel cuts pay off, Page 21

Alaska breaks ice in Euromarket

BY MARY ANN SIEGHART IN LONDON

A U.S. state agency is raising $100m in Europe in what is believed to be the first such fund-raising operations since the state of Mississippi defaulted on its bonds in the mid-19th century.

The Alaska Housing Agency issued its Eurodollar bond issue *through a Netherlands Antilles* subsidiary so that bondholders could receive their interest tax-free.

Last year the Federal National Mortgage Association ("Fannie Mae"), which is America's largest supplier of home mortgages, applied to the U.S. Treasury for permission to tap the Eurodollar bond market. Permission was refused.

The U.S. Treasury said last night that it frowned on U.S. governmental agencies' being involved in the Netherlands Antilles, but it did not comment on the Alaska issue.

Mr Donald Regan, the U.S. Treasury Secretary, claimed that such a Eurobond issue would have "an adverse effect" on tax treaty negotiations between the U.S. and the Netherlands Antilles.

These negotiations, which were scheduled to finish by the end of *last* year, have not yet been completed. But for Fannie Mae, the Alaska Housing issue may help to pave the way for any future Eurobond issue of its own.

It is backing the Alaska bond with a collateral of its own mortgage certificates. This will earn it a fee, but will also make its name known to European investors. Because Fannie Mae is considered to be such a good credit risk, the bonds will be given the sought-after triple A credit rating.

Eurobonds, Page 42

Riyadh seeks offset spending on Awacs

BY FINN BARRE IN RIYADH

U.S. COMPANIES bidding for the $3.94bn command and control system for Saudi Arabia's Boeing E-3A Awacs surveillance aircraft will be required to invest in the Kingdom to offset some of the cost to the Saudis of the contracts.

Although exact details of the offset programme are still undergoing negotiation, Saudi officials say the U.S. companies may be required to invest in joint ventures worth 30 per cent of the contract value. The Saudis have indicated that the investment should be made in manufacturing.

The actual U.S. investment in such joint ventures would not exceed 17.5 per cent of the contract values, depending on the degree of Saudi participation in the yet unspecified joint ventures.

The U.S. federal military sales office is handling bidding for the contract, which will build the command, control, communications and intelligence-processing equipment necessary to support the Saudi airborne warning and control system (Awacs). Hughes and Collins, Litton and ITT, and Boeing and Westinghouse are the three aerospace groupings pursuing the bid.

The command and control system will provide ground support for the Awacs aircraft. The U.S. currently operates the four Boeing E-3As for the Saudis, but Boeing is expected to deliver five E-3As and eight tankers beginning in 1986. The E-3A is a Boeing 707 with computers, radar and sophisticated surveillance equipment on board.

The offset programme was a primary topic of discussion during joint U.S.-Saudi meeting this week. Two former U.S. ambassadors and prominent American businessmen met in Riyadh to discuss stronger bonds with Saudi Arabia. Exxon, Shell Oil and General Electric were some of the companies represented at the meeting.

Bass family lifts stake in Texaco

By William Hall in New York

THE BASS brothers, reputedly the second wealthiest family in Texas after the Hunts, have spent another $250m on increasing their stake in Texaco, the U.S. oil major, to 9.8 per cent.

The announcement that the Fort Worth-based family had increased its stake comes only a few weeks after Texaco announced a $10.1bn bid for the largely family-controlled Getty Oil.

The move is the latest symptom of the oil merger mania which is gripping Wall Street as analysts attempt to predict which will be the next oil company subject to a takeover bid.

According to a filing with the Securities and Exchange Commission a group of investors led by Bass Brothers Enterprises raised its stake in Texaco to $25.4m shares.

Continued on Page 20

CONTENTS

Europe 2
Companies 21
America 4
Companies 21
Overseas 3
Companies 22–23
World Trade 5
Britain 6
Companies 24–26

Agriculture 40
Appointm. advert. 7, 13-17, 27–30
Arts – Reviews 11
– World Guide 11
Commercial Law 23
Commodities 40
Crossword 38
Currencies 41

Editorial comment 18
Eurobonds 42
Euro-options 34
Financial Futures 41
Gold 40
Int. Capital Markets 42
Letters 19
Lex 20
Lombard 19
Management 10
Market Monitors 31
Men and Matters 18
Mining 25
Money Markets 41
Raw materials 40
Stock markets – Bourses 31, 34
– Wall Street 31–34
– London 31, 35–37
Technology 8
Unit Trusts 38–39
Weather 20

UK car industry: the impact of the Nissan deal 18
Economic Viewpoint: a look at the next UK budget 19
Boeing: buying Airbuses to win big orders 5
Technology: what enzymes do for taste buds 8
Space satellites: U.S. industry in a battle of rockets 12
Singapore: *developing financial futures links* 23
Business Law: the world of books and trade marks 23
Editorial comment: Nissan; Thatcher in Hungary 18
Lex: Gerrard & National; Electrolux; Britoil 20
Lombard: a role reversal at the UK security centre 19

Common market for broadcasting is Commission's aim

BY JOHN WYLES IN BRUSSELS

EUROPEAN Community governments will be urged shortly to move towards a "common market for broadcasting" based on harmonised legislation capable of exploiting the looming expansion of radio and television transmission by cable.

This recommendation will be made in one of the European Commission's most voluminous productions—a 500-page discussion paper exploring the opportunities and problems presented by a Community-wide cable broadcasting system.

A final text discussed by the 14-member Commission yesterday claims that the "creation of a common market for broadcasting and cross-frontier distribution of broadcasting services will help push through the new information and communication techniques needed in terms of the economy as a whole."

Having consulted member states, the Commission is expected to produce a wide-ranging draft directive which would attempt to regulate all cross-frontier radio and television transmissions. Among other things, the draft legislation would cover licensing to transmit via cable, the regulation of advertising, and the protection of minors.

The advertising section of the discussion paper will be a special focus of interest since advertising is postulated as the source of revenue for any common market cable system. Having studied national broadcasting systems based on advertising — which is common to most but not all member states — the document recommends that it should be limited to 20 per cent of total cross-frontier broadcasting time.

This is higher than several countries presently allow but is a measure of the advertising demand which the Commission has identified. It goes on to suggest that provision should be made for programmes free of advertising on Sundays and public holidays.

The Commission sees the need for a code of advertising standards, a total ban on tobacco advertising (as in all member states at present) and prior monitoring of all advertising to ensure that it conforms to the EEC law.

It sees little scope for laws harmonising the protection of public morals but wants a common approach to the protection of minors so that they are not exposed to broadcasts likely to be "seriously harmful" to their development.

The discussion paper marks a quickening of pace in the Commission's interest in broadcasting. The possibility of a Community-wide approach is exciting interest in several national organisations including the BBC, whose managing director of television, Mr Aubrey Singer is due in Brussels shortly for talks with Commissioners.

Portugal takes axe to public sector

By Diana Smith in Lisbon

DRASTIC REDUCTIONS in Portugal's debt ridden public sector will begin in the coming weeks, say officials.

The first steps have been taken with the closure of Gelmar, a nationalised fish processing plant employing 800 people, and an announcement that 1,600 jobs will be lost over the next six months at Setenave, the nationalised shipyard which has no new orders and 6,000 people on its payroll.

A plan has been drawn up to cut spending and labour costs in failing publicly-owned concerns. Some, like Gelmar, will be shut down.

The Government of Sr Mario Soares is committed to lower public spending under the terms of its 1983 letter of intent to the IMF covering an 18-month standby loan of $380m. Quite apart from that, however, Sr Soares's coalition intends to stop pouring taxpayers' money and foreign loans into a sector whose accumulated debt rose to $9bn by the end of 1982.

The cuts will cause considerable unemployment and some political grumbling: the overmanned public sector, created in 1975 under pressure from the Communists, employs large numbers of them.

Furthermore, 250 enterprises were directly nationalised and a total of 855 enterprises of all sizes fell into the public net through seizure of holding companies. The Communist Party forced mass hiring on these companies to create an illusion of full employment. Subsequently, wage costs soared and productivity plummeted.

Portugal has about 300,000 unemployed in a labour force of about 3.8m, but less than 50,000 people take unemployment insurance. It is suspected that many avoid it because they work in the "parallel" economy and their sources of income would have to be investigated.

Dozens of public and private companies have also not paid wages for months alleging financial difficulties. Unions report that 100,000 workers do not receive regular salaries.

Citroen to shed up to 5,000 jobs in France

BY PAUL BETTS IN PARIS

THE Peugeot group, France's financially troubled car manufacturer, has told the Government it must cut 3,000 to 5,000 jobs at its large Citroen car division if Citroen is to survive. This is 7 to 10 per cent of the workforce.

M Jacques Calvet, head of the privately-owned group's car operations, said yesterday in Spain that "unless Citroen's workforce is cut there will be no Citroen marque in three years' time." He was speaking for the first time in public since last summer when Peugeot announced plans to reduce the workforce of its Peugeot and Talbot car divisions in France by 10 per cent.

These job cuts caused a serious labour dispute at Talbot's factory at Poissy, outside Paris, which was resolved three weeks ago after fierce clashes between immigrant workers.

Since Peugeot took over Citroen in 1974, the company has consistently lost money. Losses of more than FFr 400m (£33m) in 1980, grew to FFr 550m (£45m) in 1981, and topped FFr 1.1bn (£90m) in 1982. It is expected to show more red ink in 1983.

Although it was widely known that Citroen would have to make significant job cuts, M Calvet's announcement could not come at a more awkward moment for the Government. The latter is wrestling with industrial restructuring programmes in several troubled sectors, ranging from shipbuilding to steel and coal mining.

In the motor industry, the state-owned Renault group also intends to shed up to 10,000 jobs by 1986 in its car operations and another 1,500 in its French truck business.

However, government officials acknowledge that the Renault job cuts pose a less urgent problem than at the Peugeot group's. The state car group continues to receive heavy financial backing from the Government for its investment programmes. This support has enabled it to rely on early retirements and other devices to avoid redundancies.

This has not been the case for the Peugeot group, which is expected to report another heavy consolidated loss of more than FFr 2bn this year. Throughout its restructuring programme, Peugeot has had to toil with its bankers to maintain its credibility and secure additional financing for its investments.

Although Citroen's new medium sized BX model has proved a commercial success, taking 4.5 per cent of the French market last year, most of the other models suffered a fall in sales.

M Calvet, who was speaking at Alicante during the Press launch of the new GTI version of Peugeot's 205 supermini, claimed productivity at Citroen was 15 to 20 points lower than its main competitors like Volkswagen. He renewed his commitment to preserving Talbot although he suggested that its future depended on its market performance.

The Citroen job losses will be concentrated on the company's main Paris region plants of Aulnay-sous-Bois, Levallois and Nanterre

Plans for job-creation to be finalised

THE French Government will next week finalise its plans for providing retraining and jobs for those made redundant in declining sectors of industry, writes David Housego in Paris.

At the weekly cabinet meeting, President Francois Mitterrand set a deadline in an attempt to end the confusion and disputes which have enveloped the issue since leaks to the Press at the end of last week.

These provoked concern both among trades unions and politicians of the left that, within the new "reconversion zones," the government was preparing to exempt small companies from some of the existing labour regulations in an attempt to entice investment to depressed regions.

President Mitterrand said that next week's cabinet meeting will decide on the methods of industrial restructuring and the social measures to accompany it. But it is still unclear how much detail will be available after it.

The trades unions are to be informed of the government's proposals on Monday. They will have a chance to negotiate with the government over the proposed redundancies and how they should be treated during the remainder of this month. Final decisions—including presumably the number of job losses in the steel, coal and telephone sectors—will be taken in March.

Paris rebukes U.S. envoy for criticism of communists

BY DAVID MARSH IN PARIS

THE FRENCH Government last night publicly rebuked Mr Evan Galbraith, U.S. ambassador to Paris, for making critical comments on a radio programme about the presence of Communists in the Paris coalition.

M Pierre Mauroy, the Prime Minister, summoned Mr Galbraith to his office to tell him that his remarks about "the "internal politics of France" were "unacceptable."

The unusual public upbraiding, coupled with a fierce attack on Mr Galbraith by M Charles Transport Minister, has succeeded in rubbing open again lingering political sores existing between Paris and Washington over the composition of the Left-wing French Government.

On his way out from the meeting with M Mauroy, Mr Galbraith sought to play down the significance of the disagreement. "There is no problem," he said, adding that the Prime Minister had been "very nice."

Mr Galbraith's remarks, during a radio talk with journalists on Sunday evening, appeared comparatively harmless. He said the French Communist Party "was suspect," but stressed his belief that the Socialist majority in the coalition could "protect itself."

At a time when continued Communist participation in the Government has been called into question by sharp differences with the Socialists over economic policy, Mr Galbraith's comments, however, clearly touched a raw nerve.

M Fiterman, the leading Communist in the Government, brought the subject up at yesterday's regular Cabinet meeting. He denounced M Galbraith, and declared he would be writing to the Amabassador to spell out his indignation.

M Georges Machais, the Communist Party leader, who has seldom been out of the headlines in recent weeks because of his attacks on the Socialists' industrial policies, asked rhetori on TV whether the ambassador thought he was dealing with Grenada or Nicaragua rather than France.

The Reagan Government made no secret of its distaste in spring 1981 at the comink to power of a French coalition containing Comunist Ministers.

But it has kept a low profile on the issue, especially since the influence of the Communists in foreign and economic policies has been visibly waning.

The Paris Government, however, is clearly embarrassed that M Galbraith, by appearing to accentuate divergences between the two parties, may have made it more difficult for the coalition to patch up its internal differences.

Additionally, M Mauroy has no wish to see a U.S. envoy appearing to draw satisfaction from the coalition rift.

Europe's steelmakers await approval of subsidy plans

BY PAUL CHEESERIGHT IN BRUSSELS

BRITISH Steel Corporation and most of the large EEC steelmakers needing official financial support will be forced to rely on short-term subsidies over the next few months.

The European Commission yesterday began scrutiny of the limited number of national industry restructuring plans it had received by the January 31 deadline. Only after these plans have won Commission approval will fresh subsidies be authorised.

The British Government in the evening heard that its request for the authorisation of interim subsidies, submitted and negotiated before midnight on January 31, had been granted. But it would not disclose the amount.

The funds are thought adequate to tide over BSC until its new corporate plan, expected by the Government in April, has been examined by the Commission. The funds would be part of the £1.4bn in subsidies destined to make BSC viable by the end of 1985, in line with the general EEC target.

Commission authorisation of the subsidies came against the background of British assurances to continue BSC capacity cuts already in the pipeline. But these cuts do not affect the major plants.

The BSC plan, in common with those from other countries should detail the capacity cuts necessary for a return to profits in 1986. But the Commission is known to be doubtful about British financial projections based on the existence of five integrated steel plants.

The Commission yesterday said that it had received final restructuring plans from Belgium, Luxembourg and West Germany. France had deposited a sealed envelope at the Commission but nobody there was certain of its contents.

It is widely believed, however, that both the French and German plans would lack sufficient detail for the Commission to make quick decisions on whether future subsidies are justified.

Italy has submitted a plan for its private steel sector, but not for its public sector, where the main losses have been occurring. The Netherlands has provided a plan which covers Hoo-

Polish reforms of economy 'ignored'

By Christopher Bobinski in Warsaw

LAWS DESIGNED to help decentralise Poland's economy are being ignored by government officials, according to a group of experts to which took part in drafting them. They make their claim in an assessment two years after the laws began to be introduced.

The legislative sub-committee of the Reform Commission warns that unless the central government administration is reorganised the shift to decentralisation is "doubtful."

Professor Ludwik Bar, who chairs the sub-committee, said recently that the degree to which new laws defining the independence of companies and workers councils "were being contravened was terrifying."

The sub-committee's report pinpoints the appointment by the Government of around 1,800 senior managers without mandatory competitive selection procedures as especially harmful.

The High Court last year ruled that such appointments were illegal. But, meeting in special session recently to reply to a "legal question" from the Ministry of Justice, the Court decided that they could be registered in company records kept by the courts and so did not have to be reversed.

U.S. views E. Germany as good credit risk

BY LESLIE COLITT IN BERLIN

WASHINGTON now regards East Germany as a good credit risk and would approve U.S. bankers providing loans for the country to buy more U.S. grain at improved terms, according to a senior U.S. official visiting East Berlin. American banks in recent years have given only supplier credits with shortened maturities to East Germany because of its badly bunched debt repayments estimated at $8bn this year and last.

Mr Daniel Amstutz, the Under-Secretary of Agriculture, held talks with East German officials which the U.S. hopes will lead to increased purchases of grain. In 1980, East Germany bought $534m worth of U.S. fodder grain. This fell to $139m last year, largely because of unfavourable credit conditions.

In the view of Mr Amstutz, East Germany has an "excellent" international credit rating and had always been prompt in its payments. The Administration believed U.S. banks would be "pleased to enter into financing arrangements with East Germany."

Canadian and European fodder exports to East Germany amounted to 3.2m tonnes last year, making up for much of that previously sold by the U.S. Last September, Canada signed a three-year grain export agreement with East Germany worth C$500m (£285m) for 3m tonnes of barley. The commercial credit was guaranteed by the Canadian Government. Austria last year sold 800,000 tonnes of grain fodder to East Germany and West Germany sold it large amounts, too.

The U.S. agriculture delegation included representatives of large farm marketing organisations. Mr Amstutz will recommend U.S. banks to open talks with East Germany on supplying credits for increased grain purchases at reasonable terms. The banks are already known to be taking a fresh look at East Germany which received DM 1bn from West German banks last year and is believed to be interested in obtaining a further loan

East Germany had planned to eliminate all fodder imports from the West by 1985 because of the heavy financial burden they impose. But it is no closer to this goal now than it was when it was proclaimed two years ago.

Hungarians plan to close Irish light bulb plant

By David Buchan in Budapest

TUNGSRAM, the Hungarian-owned multinational light bulb manufacturer, has moved to shut down its loss-making subsidiary at Cork, Ireland. The new Budapest management of Tungsram yesterday described the venture as "having been virtually doomed fro mthe start."

Tungsram yesterday dispatched officials to Cork for final discussions with the Irish liquidator, and this week the Hungarian company paid I£1.7m (£1.33m) of the I£2.3m owed to its major creditor, the Allied Irish Bank.

Mr Bela Band, the company's commercial managing director, yesterday put Tungsram's total loss since construction of the Irish factory started in 1981 at Forints 300m (about £6m) and the loss to Ireland's Industrial Development Authority (IDA), an initial investor, at I£1m.

The collapse of the Cork project, through which Tungsram had planned to supply the UK market, has lost the Hungarian company part of its market share in Britain. In 1981 it had 5 per cent of the UK market, and now it has 2-3 per cent.

British light bulb manufacturers were initially nervous at Tungsram establishing a hold in the EEC market so close to home. Mr Band said yesterday that Tungsram hoped to rebuild its UK sales to the 1981 level soon with deliveries direct from Hungary.

The Irish venture was a major factor in Tungsram's Florint 500m loss in 1982. The Hungarian multinational, which still has manufacturing plants in the U.S., Austria and Pakistan, went "technically bankrupt" that year.

But with Hungarian state aid and a major management reshuffle last year, Tungsrram has retrenched and since claims to have wiped out its operating loss.

Mr Band, one of the new managers said the factory at Cork had been too large for a planned "modest workforce" of only 160. Added to this problems were caused by strikes at suppliers' factories.

Romania fails in Soviet oil bid

BY LESLIE COLITT IN BERLIN

ROMANIA HAS failed to obtain agreement from Mr Andrei Gromyko, the Soviet Foreign Minister, on its request for oil in exchange for so-called "soft" Romanian products.

Mr Gromyko yesterday ended a two-day visit to Romania during which he had talks with President Nicolae Ceausescu. The latter's Government in recent weeks has shifted the brunt of its criticism on to the U.S. for deploying medium-range missiles in Europe. It is urging Washington to withdraw the missiles which it said would then permit Moscow to pull back the new missiles it is deploying in East Germany and Czechoslovakia.

Romania has received 1.25m tonnes a year of Soviet crude oil since 1981. This it paid for with so-called "hard" exports, mainly grain and some meat. It has been eager to obtain the oil in exchange for products which it is unable to sell for hard currency in the West.

Last year's grain harvest suffered from extremely dry weather and put additional pressure on the Bucharest Government. Moscow remained firm, however, and protracted negotiations for 1983 oil deliveries took place without any agreement until late last year.

At issue were the Romanian farm products which Moscow insisted on and the price for them which Romania has repeatedly insisted was too low. The oil accord, which covers 1984, provides for 1.5m tonnes of Soviet crude, a portion of which was delivered late last year.

In addition, the Soviet Union will this year provide 2m tonnes of coal, iron ore and 1.8bn cubic metres of natural gas through a pipeline which runs through Romania to Bulgaria. This is in the form of a payment for the pipeline transit fees.

Union delays Italian pay policy accord

By James Buxton in Rome

THE CHANCES of an early agreement between the Italian Government, unions and employers on an incomes policy for this year receded yesterday when the CGIL union federation said it would have to consult its members before embarking on final negotiations.

Only on Tuesday Sig Gianni de Michelis, the Minister of Labour, told the unions he was "stopping the clock" at January 31 with a view to agreeing a settlement in the next few days which would take effect from the beginning of this month.

Yesterday, however, the CGIL union, the largest of the three federations and the one closest to the opposition Communist Party, claimed that the talks were still at an exploratory stage and insisted on time to consult its members before the final negotiations began.

It is thought that the union will put its negotiations position to its members in factory meetings early next week.

The talks are aimed at reducing inflation this year by restricting the workings of the *Scala Mobile* wage indexation system in return for which the Government will hold down rises in state-controlled prices.

West German car-makers want EEC pollution pact

BY JOHN DAVIES IN FRANKFURT

WEST GERMAN car manufacturers are urging the Government to seek an EEC agreement on reducing exhaust emissions rather than go-it-alone.

Herr Horst Backsmann, president of the Automobile Industry Association, said the industry was convinced that West Germany could not legally impose restrictions on its own. His is the latest in a series of broadsides against the plan launched last summer by Herr Friedrich Zimmermann, the Interior Minister, to reduce the pollution which is blamed for damaging West Germany's forests.

The minister is proposing from 1986 to set limits on exhaust emissions with the aid of lead-free petrol and catalytic converters attached to vehicles.

The car industry is worried that the move will raise the cost of cars and of motoring, unless tax concessions are devised for motorists, and that French and Italian producers of small cars will simply ignore the regulations.

Herr Backsmann said West Cerman car-makers would co-operate, even though convinced that car emissions were not the main cause of forest damage. But the Government had a duty to seek a uniform ruling quickly within the EEC to avoid a situation in which European manufacturers might flout West German laws.

Slow start to Stockholm talks

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

THE U.S. is becoming impatient at the apparent unwillingness of the Soviet Union to table concrete proposals at the Stockholm European Disarmament Conference.

A senior U.S. delegate said yesterday that the conference had "not got into a constructive dialogue as yet. I would hate it to become a debating society."

Soviet envoy Mr Oleg Grinevsky this week also indicated a frustration with Nato tactics at the conference. He warned that Western countries "are pushing (the conference) into a boggy quagmire of endless discussions on insignificant technical measures."

The only concrete negotiating proposals to be presented since the conference began two and a half weeks ago have come from the 16 members of Nato and from Romania.

The U.S. delegation claimed that of six suggestions for discussion made by the Soviet Union this week four were merely repetitions of positions taken during the last 15-25 years on which no progress had been made, and a fifth belonged at another forum—the multilateral disarmament talks in Geneva.

Mr James Goodby, the head of the U.S. delegation, said yesterday in remarks clearly aimed at the Soviet Union that the conference must "stick to the business at hand and avoid unnecessary confrontations."

Big deals and small talk in Davos's high-class bazaar

BY JONATHAN CARR IN DAVOS

"JUST IMAGINE," breathed an American executive, "if everyone in China bought just one motor bike each—that means a sale of 1bn motor bikes. Wow."

He was whispering, only half in jest, at the back of a meeting addressed by a high Peking official about China's economic prospects. More than 100 managers were present from all over the world. Many were already involved in China business. Quite a lot felt frustrated by Chinese bureaucratic delay. But hardly one was not dazzled by the vision of a potential breakthrough into that market of 1bn consumers.

The meeting was one of dozens, held over the past week, at a symposium of top businessmen, industrialists and political leaders in Davos, 5,000 feet up in the Swiss Alps.

In Thomas Mann's book "The Magic Mountain," set in Davos, the characters represent the sick Europe of before the First World War. Nowadays the annual Davos get-together, this time attracting more than 500 participants from about 50 countries, is a pretty fair microcosm of a dynamic and disordered world economy.

There are Arab financiers looking for investment projects, debtor country representatives looking for funds, Swedes seeking partners in the West Indies, Malaysians hoping to do timber deals with Koreans, Germans probing for chocolate export deals to Japan—and so on and so on.

The symposium runs a private contact service aimed at bringing the most unlikely partners together. Does it work?

Half a dozen random samples suggest that it often does. One entrepreneur from a developing state says he had found on his second evening in Davos just the business contact he had long been seeking. The prospective benefits far outweighed the Sw Fr 8,800 (£2,787) symposium fee (less for those already subscribing to the European Management Forum, the private Geneva-based organisation which runs the gathering.)

The initial contacts can be followed up well away from the congress itself during a hotel supper or on the ski slopes. Informality is the keynote. Ties tend to be the exception, sweaters and boots the rule. Incongruously, most participants also clutch formal grey attache cases, issued on arrival to take at least part of the torrent of documentation.

The symposium is thus like a high-class bazaar—but it is one of ideas as well as merchandise. Every day there are small group sessions, some pretty gruelling like "How to increase synergy in your research and development strategy," others more generally tempting like "How to negotiate successfully" or "How to get someone else to finance your investment."

Those looking for easy short cuts, let alone magic formulae, are disappointed. "There are no free deals," one senior U.S. executive told his audience sternly. But there are a lot of useful hints about. And there is the camaraderie of those who find to their relief that their competitors are tearing their hair over the same intractable problems.

There has been criticism from some business participants in the past that the symposium has been too political and too little managerial. But this year's proceedings, with the cautiously optimistic theme "Warming up for economic recovery," underlined that political and business decision-makers are as dependent on one another as Siamese twins.

For the first time "brain storming sessions" were introduced, in which world political and economic leaders moved from one round-table group of businessmen to another, discussing debt, protectionism, investment and so on with no holds barred for 40 minutes at a time.

In quick succession senior executives got the chance to challenge (and be challenged by), say, the president of the World Bank, the U.S. Deputy Treasury Secretary and the Prime Minister of Malaysia.

To be honest, few new ways of putting the problems right showed up — but most of those who participated said afterwards they had a better idea of why things were going wrong.

FINANCIAL Times, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER, send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

Jumblatt fears civil war may break out again in Lebanon

BY PATRICK COCKBURN IN BEIRUT

FEARS of a full-scale resumption of the civil war in Lebanon became acute yesterday when Mr Walid Jumblatt, the Syrian-backed Druze leader, said renewed hostilities were "inescapable."

The Lebanese Army may now move to break the military and diplomatic stalemate by trying to close the main route linking the Druze militiamen in the mountains with their allies in the southern suburbs of Beirut.

This move would be in breach of the ceasefire which ended the war last September. Diplomats believe a full-scale conflict would resume.

If the 34,000-strong Lebanese Army does move, it will be to over-run Druze positions on the ridge line called the Chouaifete Gap some eight miles from Beirut city-centre.

This is the key to the military supply-line stretching into the independent enclave of South Beirut, stronghold of the Shiah Moslem sect.

Any decision by the Government to go for the military option will be critically affected by the U.S. attitude. Despite increased training, better equipment and more men, the army will need fire-support from the the Sixth Fleet if it is to withstand military pressure from its opponents, local leaders say.

The Government attack on the Druze route to Beirut is expected to be a pincer assault, possibly assisted by helicopter-borne troops.

If the anti-Government Moslem militias in Beirut rise in support of their Druze allies in order to keep open their supply lines, the army will be stretched thin. The attitude of the Amal organisation, which leads the Shiah Moslems, will be crucial, since it might call on all Shiah to leave the army. They make up a quarter of its strength.

Although Lebanon is closer now to a renewed civil war than at any time since last September, diplomats in the Lebanese capital believe President Gemayel will pause before authorising the contemplated military operation against the Chouaifete Gap.

He is under pressure from the Christian Phalange Party and elements within the army to precipitate a conflict which would force Washington to give him greater military support.

China 'may press UK on Hong Kong talks'

By Mark Baker in Peking

CHINA MIGHT try to force Britain to keep to a September deadline on the future of Hong Kong, according to Dr David Owen, leader of Britain's Social Democratic Party.

Dr Owen said after a meeting with Wu Xueqian, Chinese Foreign Minister, that he believed China was determined to stick to its unilateral time-table for the Hong Kong talks and would exert significant pressure if necessary.

Britain has repeatedly rejected the September deadline as an unnecessary hindrance to the negotiations, and there were hints by some senior Chinese officials late last year that China might be flexible on the time-table.

Dr Owen supported recent indications that the talks have moved beyond arguments over sovereignty and administrative control and are concentrating on details of how the colony will revert to China.

Dr Owen, a former Labour Foreign Secretary, said he thought it likely a "substantive agreement" would be reached which acknowledged China's sovereignty and administrative power in Hong Kong.

John Elliott reports on Bangladesh's hopes of revitalising the private sector

Default threat to Dhaka industry

DEFAULTS by Bangladesh companies on loans founded by international institutions have cast a cloud over the country's attempts to revive the private sector and cut back on Government-owned businesses.

A firm of international chartered accountants is being hired by international aid agencies to investigate the defaults, which involve loans totalling an estimated $300m provided via the country's two nationalised industrial banks.

The problem could threaten a determined bid by the martial law regime of General Hossein Ershad to boost the Bangladeshi private sector and cut back the public sector.

The two banks, Bangladesh Shilpa Riu Sangstha (BSRS) and Bangladesh Shilpa Bank (BSB) were set up in 1971-72. Both have similar loan portfolios, about $150m each in 1982. The Asian Development Bank, the World Bank and the West German Government provided most of the funds.

A private ADB report last year found that businessmen had borrowed cash for projects "without any serious intention of pursuing such projects." Often they had to put down as little as 5 to 7.5 per cent of a project's cost themselves. Local businessmen say that even they down payment could be borrowed and repaid out of profits made in various ways on foreign equipment orders. When the project did not go ahead, the equipment could also be resold profitably.

The ADB commented that because fund-raising was so easy, there was a "lack of motivation and indifference to successful operation." In mid-1982 the BSRS was in arrears on 30 to 40 per cent of its $140m loan portfolio and between 60 per cent and 90 per cent of subloans made by the two banks were also in arrears.

The report suggests that repayments by companies were extremely rare and that as much as 90 per cent of industrial loans have had to be rescheduled. Only 26 per cent of payments due to the BSRS were made in 1981-82.

The loans problem is an unfortunate coincidence for the Ershad regime's industrial policy, under which some state-owned industries are to be privatised and foreign managerial expertise is to be bought for major public sector loss-makers. An "open door" policy, subject to bureaucratic approvals has been introduced for foreign investment which is being sought urgently.

Mr A. R. Shahshed Doha, the Foreign Minister, said the country needed foreign aid to become more self reliant. "Our private sector is starved of finance so we need increased investment from countries like the U.S., joint ventures and inputs into our infrastructure. No democracy can survive without an infrastructure to service it."

Bangladesh has little established manufacturing industry. This is partly because the country was left with hardly any important industrialists and businessmen when the Hindus left the country at partition in the late 1940s and the West Pakistanis moved out in 1972 when Bangladesh broke away from Pakistan.

One experienced local businessman said: "Our problem is that today's entrepreneurs are first generation industrialists. They are traders at heart and rush unthinking into projects when a craze hits a certain area —as has happened recently in shipbuilding and textiles, without analysing the project first."

Some progress is however being made in the privatisation of companies which were nationalised in the early 1970s either for ideological reasons or because the owners had left for West Pakistan.

Two state-owned banks, the Puebli and Uttara, are being sold back to the private sector and private investors are also to be allowed to start insurance companies. Controlling stakes of between 51 and 100 per cent in 26 of the country's 60 textile mills and 30 of its 80 jute mills have been sold, mostly to previous owners.

These buyers have had to pay only the value of the companies at 1972 levels when they were nationalised. But if they exercise an option to buy shares which they did not own before, they will have to pay present day valuations, perhaps 200 per cent above 1972 prices.

About 600 businesses abandoned by West Pakistanis and then nationalised have been sold back to the private sector.

In an attempt to stimulate Bangladesh's dormant share market, raise additional public funds, and harness private sector managerial skills, up to 49 per cent of other public sector companies are also to be denationalised, according to Government policy announcements.

The Government would also like to inject private sector management into its worst public sector loss makers—the "sick units" as they are known in South Asia, including Machine Tools factory, Pragoti Industries, which assembles American, European and Japanese vehicles, and General Electric Manufacturing which is unconnected with the British GEC's Bangladesh subsidiary and makes electrical equipment.

The Government has been negotiating with Fabrique Nationale of Belgium to become management contractors responsible for production and marketing at Machine Tools. Based on Belgian technology, this factory is operating at only 30 per cent or less of capacity.

Gen Ershad

Progress on all these initiatives is slow and, although Gen Ershad, beset by political opposition to his military regime, is proud of his policy of encouraging the private sector, there will continue to be a widespread public sector in the country.

Many businessmen believe, however, that the future of the private sector depends to a considerable extent on the Government's willingness to grapple with the institutional failings that have led the two industrial banks into trouble.

Kampuchean town 'overrun'

By Chris Sherwell, South East Asia Correspondent

THIS WEEK'S claims by Khmer Rouge guerrillas to have overrun a key town 90 miles inside Kampuchea have provided a sharp indication of the growing tension in the west of the country before a widely-expected dry season offensive by government and Vietnamese forces.

The claims, which have not been confirmed independently, would, if substantiated, represent the most dramatic military success yet for the Khmer Rouge guerrillas, whose government, led by the hated Pol Pot, was ousted in January 1979 by invading Vietnamese forces.

The attacked town, Siem Reap, is reckoned to be a Vietnamese stronghold used as a military transit point and fall-back position during the rainy season.

The Khmer Rouge reports are being treated with suspicion at the moment, since they come at a time when the shaky tripartite coalition of rebels opposed to the Hanoi-backed Heng Samrin government in Phnom Penh is keen to show both military and political successes.

The pro-Chinese Khmer Rouge claim is the second of its type in less than a month. The group, which is reckoned to have some 30,000 soldiers in the field, says it has also attacked Kompong Thom about 100 miles north of Phnom Penh.

Additional forces numbering some 20,000 come from the Khmer Peoples National Liberation Front led by Sonn Sann, and a third faction led by Prince Norodom Sihanouk, and these are said to be operating in all Kampuchean provinces.

The coalition government of democratic Kampuchea which these three rather fractious groups comprise is at the same time trying hard to achieve increased international recognition.

Last week, Prince Sihanouk received the credentials of the Yugoslav and Egyptian ambassadors to the coalition in a "liberated zone" near the Thai border.

Over the past five years the coalition has regularly received support through United Nations votes refusing to recognise the Heng Samrin government, but the coalition's strongest backing comes from the six members of the pro-Western Association of Southeast Asian Nations, Thailand, Malaysia, Singapore, the Philippines, Indonesia and Brunei.

Last year, Asean called on Vietnam to begin a phased withdrawal of its estimated 150,000-170,000 forces from Kampuchea, starting with a ceasefire along the Thai-Kampuchea border and the introduction of an international peacekeeping force.

S. Africa for talks in Lisbon

South Africa will hold talks with Mozambique and Portugal in Lisbon on February 14 and 15 as part of the series of discussions between the Pretoria and Maputo governments, it was announced yesterday, writes J. D. F. Jones in Cape Town.

The subject will be the troubled Cahora Bassa hydro-electric operation in Western Mozambique, which was financed mainly by Portugal. It is contracted to sell its power to the South African Electricity Authority, and has repeatedly been sabotaged by rebels of the Mozambique resistance.

The ideologically opposed neighbours of South Africa and Mozambique last month set up several parallel discussions on security matters, economic relations, tourism and Cahora Bassa, in what must be seen as an attempt to lessen regional tensions.

Reuter adds: South Africa has exposed another member of its defence force as a spy following the conviction of Naval Commodore Dieter Gerhardt as a Soviet agent, Gen Magnus Malan, Defence Minister, said yesterday.

He told Parliament he could give no further details. "When the investigations are completed further announcements will be made," he said.

Zimbabwe protest

THE ZIMBABWE Government yesterday expressed concern at "the marked increase in killings, rape, mutilations and torture" of innocent people by dissident bandits in parts of Matabeleland and the country's Midlands, our Harare Correspondent reports.

In the past year, more than 120 people had been killed, 23 mutilated and 47 raped in the two areas, he added. Most of the victims were either "Government employees, officials of Mr Robert Mugabe's ruling Zanu-PF party, or ordinary civilians."

Malaysia election

THE election of a new Malaysian king next Thursday—a once largely-ceremonial office that has assumed increasing political importance, has been complicated by the sudden death of the Perak ruler, Sultan Idris Shan, Wong Sulong reports from Kuala Lumpur.

Sultan Idris, 59, who died of a heart attack on Tuesday, was the leading contender for the post, which now seems most likely to go to the Sultan of Johore who is known to be a strong critic of Dr Mahathir Mohammed, the Prime Minister, when the present king, Sultan Ahmad Shah of Pahang, relinquishes the post in April.

Government officials say Dr Mahathir's administration would almost certainly encounter difficulties with Sultan Mahmood as king, and they are lobbying hard to get the ruler of Negri Sembilan, Tunku Jaafar, elected instead.

Fahd to visit Paris as Saudi-French ties improve

BY DAVID HOUSEGO IN PARIS

KING FAHD of Saudi Arabia is to visit Paris on Saturday in a gesture that confirms the current close relations between France and Saudi Arabia.

It was announced 10 days ago that Saudi Arabia had concluded a $4.2bn (£3bn) arms contract for a new air-defence system. It is the largest arms contract ever won by France.

The deal is seen in part as reflecting the Saudis' appreciation for French policy in the Middle East. France has provided continuing support for Iraq which remains in Saudi eyes an important bulwark against the extension of Iranian influence in the Gulf.

France and Saudi Arabia also share much the same analyses of the Lebanon situation and have often acted in co-ordination.

King Fahd will be coming from southern Spain where he is spending some time after the Islamic summit at Casablanca.

AMERICAN NEWS

FT correspondents analyse President Ronald Reagan's Budget proposals for fiscal 1985, nine months before his re-election contest

In brief: the main proposals

By Our U.S. Editor

PRESIDENT Ronald Reagan's budget for fiscal 1985, which begins on October 1, calls for outlays of $925bn, against receipts of $745bn, leaving a deficit of $180bn, or 4.6 per cent of gross national product.

No major tax increases are proposed, though the tax system is to be made "fairer and simpler." The budget proposes substantially increased defence spending, while holding the line on most domestic programmes.

The Administration says that the four main elements are:

● A continued freeze on real domestic spending growth and further progress in the "remarkable" reduction in domestic spending relative to GNP that has been under way since 1981.

● Continued realignment of national budget priorities towards defence international security and other "core purposes" of the Government.

● Modest further savings in domestic programmes totalling $62bn over the fiscal years 1985-89 inclusive "that can and should be adopted by Congress" this year.

● A total spending burden on the U.S. economy (share of GNP) that is coming down from the recession peaks, but which is still too high and which "defines the spending control challenges for 1985 and beyond."

If Mr Reagan's 1985 budget policies are adhered to, there will be essentially no public spending growth in real terms in the period up to and including 1989—resulting in "a decade-long domestic real spending freeze" as a result of Mr Reagan's policies, the Administration says.

By 1989, it says, domestic public spending would be down to 11.6 per cent of GNP, against 15 per cent in 1981, Mr Reagan's first year in office, and 14 per cent this year. Defence spending is expected to average something over 7 per cent of GNP a year by the end of the decade, against the 6.8 per cent it accounts for in the 1985 budget.

Requests for specific programmes include:

DEFENCE: The Pentagon's budget provides for a real 9.3 per cent increase in actual spending (outlays) to $264.4bn in fiscal 1985. The Defence Department's total budget authority, which includes commitments to future outlays, would rise by a real 13 per cent to $305bn.

INTERNATIONAL AFFAIRS: An increase from this year's $13.5bn to $17.5bn is proposed for foreign programmes including international security assistance ($7.8bn), foreign economic and financial assistance ($5.2bn), international financial programmes, including the U.S. Export-Import Bank ($1.4bn), the conduct of foreign affairs ($2.5bn) and foreign information and exchange activities ($911m).

SCIENCE, SPACE, TECHNOLOGY: Outlays are expected to increase from $8.3bn in 1984 to $8.8bn in 1985, of which $6.7bn will go to space programmes, including the "design and definition" of a permanent orbital space station.

ENERGY: A further cut is proposed in federal energy spending, which is to be reduced by 9 per cent to $3.1bn, primarily as a result of reduced federal borrowing requirements to finance new electric power plants.

ENVIRONMENT, NATURAL RESOURCES: Outlays to be $11.3bn, down $1bn from this year, partly due to an increase in offsetting receipts. Increased funds for cleaning up hazardous waste sites and chemical spills, and research into acid rain.

AGRICULTURE: Total outlays to be $14.3bn, up $3.6bn from 1984. Farm income stabilisation programmes expected to decline from $20bn, in 1983 to $8.9bn in 1984, as a result of higher crop prices and net farm cash income, but to rise to $12.6bn in 1985 as increased payments are made to meet target prices.

TRANSPORT: Outlays estimated to be up $900m to $27.1bn, including $13.5bn on highways and highway safety.

EDUCATION, TRAINING: Federal outlays to fall from $15.9bn this year to $15.5bn —policy should be primarily in hands of states, local school districts and parents. Training and employment programmes down $400bn to $12.4bn.

HEALTH: Federal outlays to increase from $30.7bn this year to $32.9bn, of which $22.1bn will go to the Medicaid health-care scheme for the low paid.

INCOME SECURITY: Outlays to total $114.4bn in 1985, including retirement and disability payments ($45.7bn), subsidised housing ($10.9bn), food stamps ($11.6bn), unemployment benefits ($20.1bn) and other programmes benefiting children and low-income families.

Reagan sticks to his guns over 9.3% defence-spending increase

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

ONCE AGAIN this year President Ronald Reagan is asking Congress to agree to a substantial increase in defence spending while "freezing" most domestic programmes. And once again, Mr Caspar Weinberger, the Defence Secretary, has appeared right on cue with his argument that the increases are absolutely vital if the U.S. is to "regain" its national security after a decade of falling behind the Soviet Union in the 1970s.

The arms build-up is arguably the last policy that Mr Reagan would abandon if he had to choose—indeed, he virtually said as much in his State of the Union address last week. People who wanted to cut the portion of the budget spent on defence were ignoring that the defence of the nation was not only solely the responsibility of the federal Government, it was also its "prime" responsibility, he emphasised.

In an election year, when budget deficits are already being raised as a major issue by the Democrats, Mr Reagan's defence budget will undoubtedly face a battering in Congress. Mr Tip O'Neill, the Democratic Speaker of the House of Representatives, and other Democratic leaders have already indicated that they will agree to co-operate with Mr Reagan in tackling the deficits only if he agrees to put Pentagon spending on the chopping block

That is not likely to cut much ice with Mr Reagan. In the first place, although he is sensitive to attacks on the issue, he does not really believe that the deficit *in itself* is something that is going to sway the voters much when they arrive at the polling stations. But he does believe that his 1980 victory gave him a massive popular mandate to spend a great deal of money on defence to achieve a historical reversal in the decline of American power.

Now that he has laid the main foundations of his build-up, he is not going to abandon it. Mr Weinberger, for his part, believes that all that is now needed for the main reconstruction of the country's armed forces is one more big heave over the next year or two.

As the Pentagon put it yesterday, "a failure to sustain the defence revitalisation programme now underway would dilute the gains made during the past three years, delay the time (now scheduled for fiscal 1987) when defence increases can begin to slow dramatically and, by causing delays, stretch-outs and terminations, raise the total cost of restoring America's deterrent strength."

Mr Reagan has succeeded in winning Congressional support for all the main elements of his strategic modernisation programme, the MX intercontinental ballistic missile, the

Weinberger . . . arguments appear right on cue.

B-1 bomber, new submarines, the Trident 2 submarine-launched missile and a major overhaul of command, control and communications systems.

By about 1989, Mr Weinberger says, the U.S. will have achieved "a sufficient deterrent capability," although not "superiority" over the Soviet Union, which it does not seek. At no point will the current strategic programme account for more than 14 per cent of the total defence budget, he says.

Nobody, however, has any real idea about the long-term costs of the next step—Mr Reagan's Strategic Defence Initiative (SDI) to develop a space-based defensive system against incoming missiles by the 21st century. A start on the programme (which Mr Weinberger declines to call "Star Wars") is planned for the coming budget year at a cost of $1.8bn. But Mr Weinberger says that only $250m of this is "new money"

Meanwhile, the conventional forces are being strengthened through increases in morale and combat "readiness," unglamorous items like maintenance, and steady progress towards the goal of a 600-ship navy.

To carry on the good work, Mr Weinberger is now asking for a real 9.3 per cent increase in outlays (actual spending) in 1985 and a 13 per cent increase in budget authority, under which commitments can be made for future as well as immediate spending. The figure is high, Mr Weinberger says, partly because Congress denied some of the Administration's requests last year, and the overall programme must be put back on track.

His case is the familiar one that if he gets the money now, he will need less in the future. The Pentagon's projections, published yesterday, show increases in outlays declining after a 9.3 per cent peak in 1985 to 8.4 per cent in 1986, 7.0 per cent in 1987, 4.1 per cent in 1988 and 3.3 per cent in 1989. Thereafter, Mr Weinberger says the rate will level off to annual real spending increases of between 3 and 4 per cent—consistent with inflation and maintenance requirements.

At no point, he says, will defence, which accounts for 28.6 per cent of the total federal Budget this year, rise above one-third. By another measure, the defence share of GNP will average only slightly more than 7 per cent over the next five years—well below the peacetime 1950s and the pre-Vietnam 1960s.

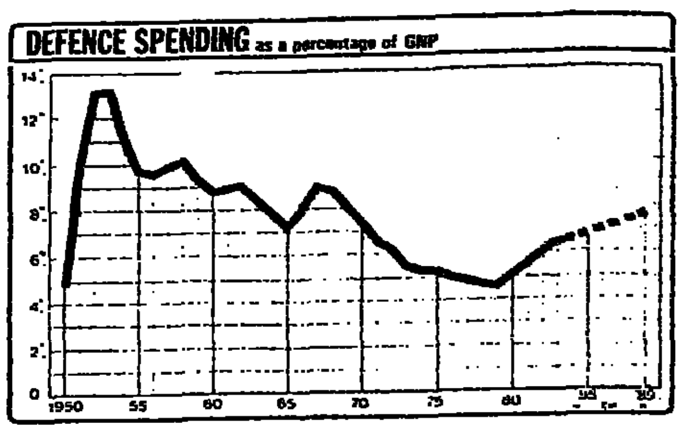
All this is fine on paper, which is not usually a very good guide to defence spending in reality. This year, already, defence stalwarts in Congress like Senator John Tower, the Republican chairman of the Senate armed services Committee, is preparing to fight a determined holding action against what he believes will be a major election year onslaught on Pentagon spending.

The Pentagon is already suffering from a spate of hair-raising stories of waste, particularly in the acquisition of spare parts, which have been given wide currency in the past months. The case histories, many of them revealed as a result of the Pentagon's own investigations, have heightened the impression both in Congress and with the general public that there is fat to be trimmed.

Mr Weinberger claims that these defects are being rectified. He points to a Pentagon programme to improve management techniques, crack down on fraud, waste and abuse, improve debt collection and vigorously tackle the thorny spare parts problem.

He claims that his 1985 Budget authority request has already been painfully cut from $322bn to $305bn before its official presentation, to the distress of each branch of the armed services. Congress, which has heard that sort of thing before, has not fallen for this particular ploy.

Mr Weinberger's main argument, however, is the same as last year and the year before—the country's defence must not be designed to fit a pre-ordained budgetary figure but to meet the ever-increasing Soviet threat. "We did not pick a number from the air, raise it and then defend it," he said yesterday. That sort of remark, of course, is another familiar step in the annual ritual dance.



Very few votes in deficit reduction, Budget message suggests

BY STEWART FLEMING IN WASHINGTON

A DECEPTIVE calm pervades the pages of President Ronald Reagan's 1985 Budget message which he sent to Congress yesterday. In contrast to the first years of the Reagan Administration there are no bold proposals for sweeping cuts in personal income tax and no supply side suggestions for easing the tax burden on the corporate sector.

Only another sharp increase in proposed defence spending which congress seems destined to resist, remains to remind voters of Mr Reagan's radical conservatism.

But it would be a false conclusion that the President has, by avoiding striking new initiatives, concocted a document which will spread reassurance across either the Congress or the business community, for he is once again taking a very big gamble.

Around Christmas, as the final decisions were being made for the budget year, beginning in October, Mr Reagan rejected the advice of most of his economic experts. He decided that an election year was not the time either to threaten voters with increased taxes to try to cut prospective budget deficits or to try to cut Government spending.

In the message he makes it clear that he has not given up these goals. "Limited measures to increase receipts will also be necessary," he says, adding however that "it is important — crucial — to get the mix of spending restraint and receipts increases right. There must be substantial reductions in spending and strictly limited increases in receipts."

These bold words do not however refer to the 1985 fiscal year. The spending cuts which he proposes for 1985 total only $5bn (excluding the defence and debt service savings he anticipates) in a budget of $925bn and the receipt increases total $8bn. As a result the budget deficit is projected to change little from the expected $183.7bn for 1984. The powerful combination of projected lower inflation, lower interest rates and sustained economic growth are expected sharply to erode the deficit figures in 1988 and 1989.

The gamble the President has taken is that he will be re-elected in November and that in the first year of his new Administration he will again be able, quickly to force through a submissive congress the measures he concedes are needed. "Only the threat of indefinitely prolonged high budget deficits threaten the continuation of sustained non-inflationary growth and prosperity," he says.

There are many in Washington who are far less sanguine than Mr Reagan about this strategy, including at least two prominent members of the Administration. Mr David Stockman, the Budget Director, has said that he does not see the future potential for spending cuts which Mr Reagan appears to be anticipating.

It is certainly questionable whether the Democratic House of Representatives will be any more responsive to Mr Reagan's blandishments next year, assuming he is re-elected, than it is now. And time will be short for painful measures, because they will have to be taken before they damage the prospects of Congressmen running in the 1986 mid-term elections.

Even speedy action early in 1985, at least on the spending side, will not translate into actual spending reductions until 1986 and there are widespread fears that moves to reduce Government spending then will not be what a weakening economy needs. In the meantime, there is a growing rumble of discontent in U.S. industry, which associates the high deficits with high interest rates and a strong dollar, and therefore with rapidly eroding competitive position in export markets.

Some economists fear that by failing to tackle the deficits the President is risking plunging the U.S. into economic trouble by 1985 if not before. It is feared that competing business and federal credit demands will put upward pressure on interest rates, or foreign suppliers of capital will begin to lose confidence in the willingness of the U.S. to tackle the deficit problem.

President Reagan has made it clear that he does not share these gloomy predictions. But Mr Martin Feldstein, the Chairman of his Council of Economic Advisers has announced that he does not share the optimistic projections in the Budget document. These show steadily declining inflation and interest rates until 1989, coupled with a 4 per cent average real rise in Gross National Product, which would be the best long-term performance of the U.S. economy since the 1960s.

The Budget document is thus, as usual, an intensely political document. But this time, it is not designed so much to try to persuade Congress to enact new Presidential policies, as to boost Mr Reagan's re-election prospects.

It refers to the President's record on "freezing" real domestic (non-defence) spending, saying that "constant dollar domestic spending doubled between 1954 and 1961, doubled again by 1971 and nearly doubled by 1981." Now it says, after completion of most Congressional action on the 1984 budget, "real domestic spending stands lower than in 1981."

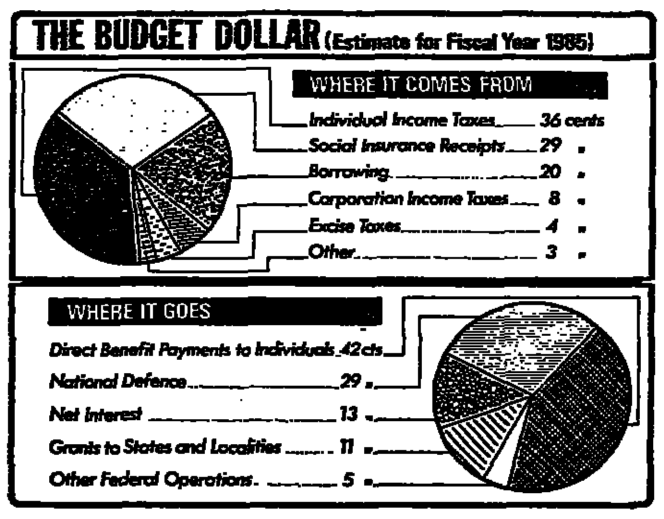
The Budget message maintains that outside the defence sector virtually only medical entitlement programmes and social security services, whose benefit levels are written into law, are exhibiting strong real growth. As a result it says, there has been a continued realignment of national budget priorities towards "defence, international security and other core purposes of Government." Domestic spending before the Reagan Administration hit 15 per cent of GNP in 1981 it points out. The spending expected by the Government for 1984 is 14 per cent of GNP, projected to fall to 12.3 per cent by 1989. Total outlays are projected to fall from 23.8 per cent of GNP in 1985 to 22.1 per cent in 1989 and the deficit from 4.6 per cent of GNP to 3.6 per cent of GNP.

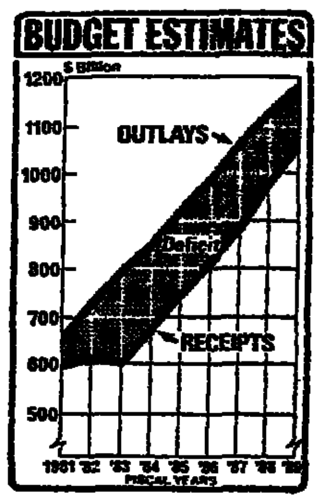
But as the Administration concedes, "unfortunately the reduction in domestic spending claims has proceeded more slowly than the rise in defence and other national interest outlays," at a time when tax cuts have led to an estimated cumulative decline in the net take of the federal Government of $595.4bn.

Whereas a year ago the cautious economic assumptions and projections which the Administration was making were being described as "realistic," and indeed proved to be too cautious in the short term, no such judgments can be made about the 1985 budget.

Even before Congress has begun to debate it, the President at short notice has called for negotiations between the Congress and the Administration for an "immediate downpayment" on deficit reduction of some $100bn over the next three years.

Democrats suspect this move is a political gambit but it is one which suggests that Mr Reagan himself has some doubts about the wisdom of the strategy of waiting until next year before trying to tackle the deficit problem head on.





GROWTH OF FEDERAL DEBT
(Debt outstanding end year)
$bn

1975	1980	1981	1982	1983	1984	1985	1986	1987
544.1	914.3	1,004	1,147	1,382	1,592	1,828	2,067	2,318

CONTROLABILITY OF BUDGET OUTLAYS
$bn

	1983 (est)	1984 (est)	1985 (est)
Relatively uncontrollable under present law:			
Social security	171.8	180.2	193.6
Federal employees retirement and insurance	47.3	49.9	51.7
Unemployment assistance	29.7	19.1	18.5
Medical care	73.5	83.8	97.0
Assistance to students	4.4	4.6	4.3
Food assistance	3.3	3.6	3.7
Public assistance	20.9	20.2	21.3
Other	2.9	3.0	3.0
Subtotal (payments to individuals)	353.8	363.9	393.0
Net interest	89.8	108.2	116.1
General revenue sharing	4.6	4.6	4.6
Farm price support (CCC)	18.9	6.7	10.9
Other open ended progs	−2.2	−4.2	−7.4
Outlays from prior year contracts	128.7	153.6	171.2
Total relatively uncontrollable outlays	593.6	632.6	688.4
Relatively controllable items			
National defence	124.2	137.7	174.5
Civilian programmes	84.3	92.3	90.5
Total relatively controllable items	210.5	230.0	264.9

EFFECT ON DEFICIT
OF SHIFT IN THE COMPOSITION OF NOMINAL GNP
$bn

	1985	1986	1987	1988	1989
Administration forecast	−195.2	−185.9	−187.7	−159.6	−128.2
Higher Growth/ lower inflation	−191.6	−172.2	−162.2	−122.2	−73.5
Lower growth/ lower inflation	−197.4	−198.5	−218.5	−216.5	−213.9

ECONOMIC FORECASTS

	1983	1984	1985	1986	1987	1988	1989
Percentage changes (fourth quarter to fourth quarter):							
Real GNP	6.1	4.5	4.0	4.0	4.0	4.0	4.0
Nominal GNP	10.4	9.8	8.9	8.6	8.3	8.0	7.4
Consumer prices	2.9	4.5	4.7	4.4	4.1	3.8	3.5
Annual averages:							
Real GNP	3.3	5.3	4.1	4.0	4.0	4.0	3.9
Unemployment rate	9.5	7.8	7.6	7.3	6.8	6.1	5.7
Interest rates:							
91-day Treasury Bills	8.6	8.5	7.7	7.1	6.2	5.5	5.0
10-year Treasury Notes	11.1	10.3	9.2	8.6	7.2	6.1	5.5
GNP in current dollars (bn)	3,309	3,642	3,974	4,319	4,681	5,059	5,445
Federal deficit (including off-budget items) ($bn)	−207.8	−199.9	−195.2	−185.9	−187.7	−159.6	−128.2

U.S. forces' hold in Honduras questioned

BY OUR U.S. EDITOR IN WASHINGTON

U.S. MILITARY forces have taken advantage of six months of Central American manoeuvres to create "a substantial, semi-permanent military capability" in Honduras without informing Congress, according to a Congressional staff report of which extracts were published in the Washington Post yesterday.

The report, by the military construction sub-committee of the House armed services committee said that the construction of airstrips, housing, radar facilities, ocean piers, an 11-mile long tank trap and other facilities pointed to "significant additional U.S. military presence in Honduras for an indefinite period."

Many Washington officials believe that the U.S. may need future military facilities in Honduras. The country has long been regarded by the Administration as an important strategic asset in its efforts to counter the activities of the left-wing Sandinista Government in Nicaragua and left-wing rebels in El Salvador and Honduras itself.

Officials said that about 1,000 U.S. military personnel would be stationed in Honduras when the series of exercises known as "Big Pine 2" ends later this month. A second lengthy ground, air and naval exercise is expected to begin in the summer. The Sandinistas have accused the U.S. of using the exercises, which have put as many as 5,000 U.S. servicemen at a time in Honduras, to prepare an invasion of Nicaragua.

Senior administration officials are said to be trying to restrain more ambitious planning by the military because they do not "want Congress or the Hondurans to believe that 'Big Pine 2' has been used surreptitiously to create a network of U.S. bases."

● Mr George Shultz, U.S. Secretary of State, has pleaded for an end to the activities of right-wing death squads in El Salvador.

Washington has threatened to curb aid to that country if the Government does not crack down on terrorist activities.

Mr Shultz spoke with Salvadorean government and political leaders on a brief stopover on Tuesday before leaving for Venezuela on the last leg of a Latin American tour.

Eagleburger criticises W. Europe

WASHINGTON—Mr Laurence Eagleburger, U.S. Under-Secretary of State, was quoted yesterday as criticising America's Western European allies for being "overly concerned with their own internal problems and neglecting broader international issues."

Yesterday's Washington Post said Mr Eagleburger had stated that Western Europe is "more and more concerned with its own problems and less and less in tune with the U.S. as we talk about our international security interests."

As a result, there had been "a shift in the centre of gravity of U.S. foreign policy from the transatlantic relationship toward the Pacific Basin, particularly Japan."

Mr Eagleburger, third-ranking official at the State Department, delivered his remarks after a legislative research conference.

The Post quoted him as saying it had become more difficult to get Western Europe to look outside its borders.

Reuter

Reagan defends people's right to sleep rough

BY OUR U.S. EDITOR IN WASHINGTON

AMERICA'S HOMELESS have now joined its hungry as a target for White House scepticism. People sleeping out on warm air grates in cities—of whom a fair few can be seen within a few blocks of the White House—may well be doing so of their own free will, says President Ronald Reagan.

Rebutting charges that his administration favours the rich over the poor, Mr Reagan told a television interviewer that the country is perhaps now more aware of a problem that it has had even in the best of times—that is the people who are sleeping on the grates, the homeless who are homeless, you might say, by choice.

Mr Reagan's remarks were in the same vein as controversial comments made just before Christmas by Mr Edwin Meese, the White House counsellor, who said that there were no authoritative figures to show that there were hungry children in America, and suggested that some people go to soup kitchens because the food is free.

Mr Reagan said that opponents who suggested that his tax programme favoured the rich were trying to appeal to "greed and envy." "This is the same anti-business, anti-success attitude that brought this country to the brink of economic disaster," he said.

In any case, Mr Reagan said, his administration had increased spending on programmes for the needy. The White House said later that studies showed that as many as 25 per cent of the homeless refuse help

Costa Rica refuses 3,000 guerrillas 'as refugees'

BY TIM COONE IN SAN JOSE

THE GOVERNMENT of Costa Rica has refused to accept into the country an estimated 3,000 unarmed rightist guerrillas from Nicaragua as refugees, and has asked the Contadora group of countries for assistance in relocating them.

Around 400 have crossed the San Juan river, which forms the border between Nicaragua and Costa Rica, in the past five days.

Practically all are men who have joined the counter-revolutionary organisation ARDE (Revolutionary Democratic Alliance) in the past six months. ARDE's military commander, Sr Eden Pastora, claims he has insufficient arms and supplies to equip them.

Costa Rica's State Security Council ruled at an emergency meeting that the rebel combatants must leave the country. Old people, women and children will probably be allowed to remain, the council said.

The five-man directorate of ARDE, after a meeting on Tuesday near Sr Pastora's base camp on the Nicaraguan side of the San Juan River, criticised the Costa Rican Government's decision, saying they were seeking refuge for their unarmed combatants only for humanitarian reasons."

Leftist front planned for Quito presidential run-off

QUITO-Ecuador's Social Democrat candidate for President, Sr Rodrigo Borja, plans to forge a broad front of leftist parties to defeat his rival, the conservative Sr Leon Febres Cordero, in a run-off election in May, he said yesterday.

The two captured the greatest number of votes in a crowded field of nine Presidential candidates in last Sunday's general elections.

Sr Borja said he would draw four defeated Centre-Left candidates into his coalition by offering them positions "in Ecuador's next Government."

Preliminary returns from last Sunday's poll showed Sr Borja and the Centre-Left candidates together represented an electoral majority, accounting for 59.8 per cent of the vote.

Sr Borja, whose Democratic Left party captured 28.4 per cent of the vote, claimed he would easily win the May run-off with the backing of the Centre-Left coalition. Sr Febres' National Reconstruction Front (FNR) won 27.5 per cent of Sunday's vote.

The FNR embraces all six Centre-Right to Right-wing parties in Ecuador. Sr Borja said it could not draw on any other sectors for support.

Reuter

JVC-U.S. venture to sell video film cassettes in Japan

BY JASON CRISP IN TOKYO

VICTOR COMPANY of Japan (JVC) and CIC International, the film distributor jointly owned by *Universal and Paramount*, of the U.S. has set up a joint venture to exploit the largely undeveloped market for pre-recorded video cassettes in Japan.

Although about 10m homes have VCRs in Japan, sales of pre-recorded cassettes have been small compared with the U.S. and Britain. According to the Japan Video Association only 2.5m pre-recorded cassettes were *sold* legitimately last year. Some 40 per cent of those sales were "soft porn" and 15 per cent were music titles. Films only accounted for 14 per cent. (A further 0.5m outright pornographic films were estimated to have been sold last year).

Japanese companies have been slow to develop this market as *they* had expected video discs to be the main source of programming while VCRs would only be used for "time-shifting" broadcast television. But sales of video disc players have been weak.

The CIC-Victor Video venture hopes to open up the Japanese market by offering major U.S. feature films and the opportuni*ties for rental. In* most countries the main demand for pre-recorded cassettes is for recent films, and the vast majority are rented, rather than bought.

CIC-Victor Video will launch its first *programmes in March* and expects to have about 100 titles in the first year. Films from CIC International include Flashdance, Raiders of the Lost Ark, Psycho, and Jaws. JVC—which in addtion to being a leading producer of VCRs already has a small presence in video software—will provide a number of French fims such as *14 Juillet* and a range of music titles.

CIC-Victor Video will try to develop new distribution channels for the cassettes. Currently 37 per cent of existing sales of pre-recorded cassettes are through electrical appliance shops. Mr Shigeko Hori, president of CIC-Victor Video, said yesterday: "From now on the retail situation will change; we feel there is a large opportunity to sell from record shops and large book stores."

Exports of Spanish steel increase 7% in volume

BY DAVID WHITE IN MADRID

SPANISH STEEL exports reached a record level of more than 7m tonnes last year and for the first time absorbed more than half the country's produc*tion, according to the industry* federation, Unesid.

Provisional figures for 1983 show an 11 per cent increase in the volume of exports to 7.08m tonnes, despite a tightening of protectionist measures abroad, particularly in the U.S.

However, the estimates for the value of exports, which indicate a total of Pta 220bn ($1.4bn), compared with Pta 188bn in 1982, make it clear that *Spain's steel producers* have had to rely on lower prices in hard-currency terms.

The average peseta price for exported steel products, according to Unesid, rose by less than 5 per cent, compared with an 18 per cent loss of value against the U.S. dollar last year.

The export effort enabled the industry to step up its total deliveries of steel products. This was mainly achieved by running down stocks to the tune of *400,000 tonnes. Total production* during the year was reduced by some 300,000 tonnes, to 12.87m. This drop of 2.3 per cent brought output back to around the 1981 level.

Exports accounted for 55 per cent of production, against 48 per cent the previous year, while importers' share of the Spanish market fell from 22 per cent to 18 per cent.

Spanish consumption of steel, *which has dropped steadily since* peaking in 1974, fell by almost 6 per cent to 7.79m tonnes. This brings the cumulative fall since 1974 to 34 per cent, and the per capita consumption figure down to 200 kgs—a level described by Unesid as being "on the border of underdevelopment."

Michael Donne reports on the intense competition between U.S. and European airliner manufacturers

Why Boeing is buying Airbuses to win key orders

COMPETITION between Boeing of the U.S. and Airbus Industrie of Western *Europe for the* world's expanding short-to-medium range jet airliner market has become fiercer in recent weeks, and seems likely to intensify further over the months immediately ahead.

Although the world economic recession appears to be fading, the airlines are still reluctant to place new orders for expensive jet airliners, and both manufacturers are having to struggle *hard for such orders* as are immediately available

This is reflected in the fact that in the short-to-medium range market, Airbus last year won orders for only 18 aircraft (six A-310s and 12 of the projected new A-320s).

By contrast, Boeing, with a much wider range of available models, won orders for 111 short-to-medium range jets — one 727, 68 737s, 26 757s and 16 767s.

The current battle for orders is primarily between the Airbus A-300 and A-310 on one side, and the rival Boeing 767 and 757 on the other. The smaller Boeing 737 is in a class of its own, although it can still pick up some orders that might *otherwise have gone to the* A-310.

The struggle is generating some bizarre situations. Boeing, for example, in its bid in win orders from Singapore Airlines last year for its 747 Jumbo jets and 757 short-to-medium range jets, was obliged to agree to buy back from SIA two of the more elderly 747s, three Douglas DC-10s and five of the older version of the A-300 Air*bus (including two aircraft* actually not delivered subject to SIA itself not being able to sell those aircraft on the open market.

Airbus itself had to agree to buy back from SIA three A-300s of an older vintage, in order to win a deal for six of the newer A-310s.

Complex buy-back deals of this nature are now not uncommon in the jet airliner sales business.

The manufacturers are reluctant to disclose the details of individual deals, but Boeing is understood to have an inventory of around 50 aircraft, including jets of other makers' brands, that it has either already bought back, or has agreed to acquire at a future date, in order to win new sales of its own jets.

One recent example, which both sides are reluctant to discuss, is Boeing proposing to buy-back several Airbus A-310s on order for Kuwait Airways, but not yet delivered, in order to win a contract *from* that airline for its own 767 jets.

Airbus firmly declares that it still has a contract from Kuwait *for the A-310s, that it will en*force, and it is clear that the last has not yet been heard of this situation.

There is more sense in such arrangements than may be immediately apparent. The fact is that when any airline commits itself to a particular aircraft or manufacturer, it tends to stay with it for upwards of 12 years or so — the life of the aircraft in service.

During that period, the airline can spend at least as much again *as the initial purchase price on* spares and support costs, making it well worth any manufacturer's while to make every effort to win the initial deal.

It might even pay a manufacturer dividends to buy out an aircraft initially ordered by an airline, and substitute its own, just to get that 12 years or so of support cash.

Clearly, the cost calculations in such ventures must be finely tuned, otherwise the manufacturer stands to lose a lot of money.

But, on the whole, the system seems to work, and some airlines are even using it as a *method of playing one jet air*craft builder off against another in order to get the best possible price on a new order.

The manufacturers have other problems. Airbus Industrie, for example, has at Toulouse, where Airbuses are assembled, some 20 "whitetails" — all A-300-B4 aircraft without airline buyers (and so, no insignia on their tail-fins, hence the "whitetail" designation).

This situation has arisen because airlines which originally *ordered the B-4 versions of the* A-300, have subsequently changed their minds and converted their requirements into the more advanced versions of the A-300. But because the original aircraft were well under construction at the time of conversion, Airbus has completed them, so as not to lose money, and is seeking buyers worldwide.

The situation is not likely to escalate, because Airbus says that it is discontinuing production of the B-4 model anyway, and concentrating on the Series 300 and 600 Airbuses, as well as on the A-310s. But the "whitetails" *are clearly* a problem which the manufacturer is seeking to resolve.

For the immediate future, Airbus Industrie is continuing its production at four aircraft a month to meet current out*standing orders* (total firm orders amount to 353 aircraft, of which 242 have been delivered), but this is well below capacity of the group and its partners.

AIRBUS INDUSTRIE has won another order, from an unnamed airline, for four of its proposed new A-320 150-seater Airbuses, with another four on option. The deal is estimated to be worth initially about $150m, including spares.

This brings firm orders for the A-320 to 51 aircraft, with another 45 on option, or a total of 96, from five airlines. In addition to the unnamed customer (which has requested secrecy), Air France has ordered 25 A-320s with 25 on option, Air Inter of France has ordered 10 with 10 on option, British Caledonian has ordered seven with three on option, and Inex-Adria of Yugoslavia, five *firm and three on option.*

Airbus Industrie is still waiting for a decision on launch funds from the UK, but work on the detailed design of the A-320 is already being pressed ahead, with a formal commitment to production expected by the spring.

French business leaders attack protectionism

By Our Trade Editor

FRENCH businessmen have taken the lead in mobilising European industrialists to speak out against what they see as damagingly protectionist attitudes in the EEC.

The fact that the French Institut de l'Enterprise in Paris is behind the campaign has created a small stir among *dedicated free traders.* France is usually regarded as the most chauvinist of West European industrial nations.

The group comprises business associations and individual company executives from France, Britain, West Germany, Holland, Belgium and Italy.

A statement on the dangers of protectionism and a report on company law, merger policy and social security systems is *being prepared for a conference* in Paris on March 27, to be addressed by European Ministers and EEC Commissioners. The conference will discuss the EEC internal market, relations with the outside world, and the competitiveness of European industry.

Dutch expect trade with China to improve sharply

BY WALTER ELLIS IN AMSTERDAM

TRADE RELATIONS between China and the Netherlands are expected to improve sharply following an announcement yesterday that Peking is to restore full diplomatic relations with The Hague.

China withdrew its ambassador in 1981 in the aftermath of a row over the placing by Taiwan of an order for two submarines with the Rotterdam shipyard, Wilton-Fijenoord.

Just before the new year, the Dutch cabinet refused to allow Wilton-Fijenoord to accept a repeat order from Taiwan on *the grounds that it did not wish* to compromise its "one China" policy. Peking—which has long suspected the Netherlands of being pro-Taiwan — was well pleased by the gesture and has since spoken of renewed potential for trade with the Dutch.

Mr Hans Van Den Broek, the Dutch foreign minister, confirmed yesterday that Mr Chris Van Veen, president of the Netherlands Employers Federation, *would* lead a trade delegation to China at the end of March. Mr Fritz Bolkestein, the Dutch trade minister, may follow later.

The Taiwan affair resulted in *Shell being ordered to stop its* search for oil in the South China Sea, and Chinese ships were furbidden by Peking to dock in Dutch ports.

Taiwan, meanwhile, seems to have recovered from its submarines setback. There are to be no trade delegations to Holland this year and it remains unlikely that purchases from the Netherlands will soar in the manner that had been planned.

Nevertheless, Stork Ketels, part of the VMF Stork Engineering group, has received a Fl 15m order this week from Taiwan for a six megawatt combined heat and power generator, against intense competition from Japan.

At the same time, KLM, the Dutch national airline, and China Airlines of Taiwan have agreed to double their scheduled air services between Amsterdam and Taipei from once to twice-each weekly.

Peking exempts joint ventures from import tax

PEKING — China has announced that it has exempted joint ventures with foreign companies from paying taxes on a range of imported items *in an effort to secure* badly needed equipment for its modernisation drive.

The new rules, effective yesterday, apparently are also in response to foreign reluctance to invest in China because of high taxes.

It is the latest government move to calm foreign fears over investment.

The Xinhua news agency said that under the new rules, *most joint ventures that buy* advanced equipment not available in China will be exempt from paying import tax and the industrial and commercial consolidated tax, a type of business tax.

Xinhua said the rules apply to joint ventures in energy development, railway, road and harbour construction, industry, agriculture, forestry, livestock, fisheries, research, education and health care.

AP

Hoechst signs deal with Kuwait Petrochemicals

BY CARLA RAPOPORT

HOECHST of West Germany confirmed yesterday that it has signed two letters of intent formalising plans both to buy ammonia and to market chemi*cal fertilisers from the Kuwait* Petrochemical Industries Company, a subsidiary of Kuwait Petroleum Company.

The deals are expected to be the first in a series of ventures between the two groups, following the Kuwait Petroleum Corporation's purchase of a 24.9 per cent stake in Hoechst in late 1982 and early 1983.

In addition to using the ammonia for its own production of fertiliser, the German chemical group also intends to help Kuwait sell ammonia through its own marketing system in Europe, Asia and the U.S. Hoechst will also use its marketing network to sell the Kuwaitis' chemical fertilisers around the world.

It is understood that the two groups are also in talks on plans for marketing of Kuwait's propylene and polystyrene by Hoechst in Europe and the U.S. Various deals on technology transfer are also under consideration between the German group and its largest shareholder.

Longer term, Kuwait is considering the construction of an *ethylene cracker to help fill* Hoechst's demand for the key petrochemical

Indian instruments group formed

FISONS OF the UK has joined up with Associated Instrument Manufacturing of India to set up a company called Findex in New Delhi which will produce scientific and educational instru*ments, all of which will be* exported, writes John Elliott in New Delhi.

Licensed under special government rules for what are called 100 per cent export-oriented units, the project is planned to produce and export *instruments worth $1.5m in the* next five years.

MPs uneasy about Nissan car plant plan

BY IVOR OWEN

STRONG RESERVATIONS on Nissan's plan to build a car plant in Britain were expressed yesterday by some Conservative and Labour MPs.

Mr Peter Shore, Labour's spokesman on trade and industry, questioned in the House of Commons whether there would be any net increase in jobs in the UK and any net improvement in the balance of trade in vehicles.

He led sustained questioning of Mr Norman Tebbit, the Trade and Industry Minister, after yesterday's announcement of the Nissan decision. Mr Tebbit himself admitted that the Government would have been happier had the Japanese company not taken so long to make up its mind and chosen to make a larger initial investment.

Mr Geoffrey Robinson, a Labour MP for Coventry and a former chief executive with Jaguar Cars, said the deal was a pathetic shadow of the project previously outlined.

Some Tory MPs, especially from motor manufacturing areas, were also critical of the plan which they feared would damage existing companies at the taxpayers' expense.

Mr Anthony Beaumont Dark, a Birmingham Conservative MP, asked "how much of other people's money," the Government intended to give Nissan to compete with the British motor industry.

Mr Steven Norris, Conservative MP for Oxford East, said he had considerable reservations about the prospect of Nissan producing 100,000 cars a year in Britain. He said there were fears that job substitution would disguise the real element of new jobs arising from the project.

Mr Shore queried the precise meaning of the undertakings given by Nissan about the proportion of home-produced material which would be eventually included in the cars to be built in Britain. He insisted that this was the key to deciding whether the plant was in the national interest.

Mr Tebbit told the Commons that, even when Nissan reached the position of being able to produce 100,000 cars in Britain, it would be unlikely that the engines would be made in the UK.

Outside the Commons, Mr Ken Gill, general secretary of the union AUEW-TASS, condemned the plan as "a body blow to British Leyland which is likely to destroy more jobs than it creates."

Dispute at Times close to settlement

By Our Labour Staff

THE DISPUTE which has stopped publication of The Times for almost a week was close to settlement last night.

The newspaper's clerical chapel (union office branch) is today expected to agree to a recommendation from its union, Sogat 82, to support a formula which would allow for a return of the paper on Saturday.

However, the agreement may still meet with some resistance from the chapel, since the management appears to have won most ground.

The dispute, over the appointment of a member of Sogat's supervisory section (which does not have collective bargaining rights) to a job in the newspaper's library previously filled by the clerical chapel, also halted last week's production of the Sunday Times.

The only compromise the union has won is that the previous library manager (from the clerical chapel) will have equal status. The position will be reviewed in three months' time.

THATCHER REJECTS UNION PLEA

Security centre ban will stay

FINANCIAL TIMES REPORTER

THE GOVERNMENT insisted yesterday that its decision to ban union membership among 7,000 staff at the top secret communications centre at Cheltenham, Gloucestershire, must remain.

Mrs Margaret Thatcher, Prime Minister, firmly rejected appeals for a change of mind when she met union leaders for talks yesterday at No 10 Downing Street.

Union leaders, headed by Mr Len Murray, general secretary of the Trades Union Congress (TUC), had hoped to persuade Mrs Thatcher that they could enforce a no-strike deal at the centre which monitors world radio broadcasts for intelligence purposes.

They did, however, accept an offer from Mrs Thatcher for a further meeting if the need arose.

The Government has imposed a ban on union membership for security reasons. It claims that strikes by Civil Service unions in recent years have disrupted the flow of vital information from the centre. In return, staff have been offered payments of £1,000 as compensation for loss of trade union rights.

Mrs Thatcher, who was accompanied yesterday by some of her senior ministers, said the move had been sanctioned by conventions of the International Labour Organisation. Previous governments in the UK had not acknowledged the high-level intelligence nature of the work at Cheltenham.

But this had been underlined by the case of Mr Geoffrey Prime, a worker at the centre who was jailed last year after admitting passing on secret information to the Soviet Union over a number of years.

Once the nature of the Cheltenham operation was "out in the open" the Government felt it had to put a ban on trade union membership, she said.

Metro companies form consortium

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

FIVE MAJOR British suppliers of rail metro equipment are forming a group with London Transport (LT) to increase the UK's competitive strength in bidding for international metro projects.

The companies – GEC, Hawker Siddeley, Metro-Cammell, Balfour Beatty and Henry Boot – will shortly sign a letter of intent to form the group, which will be known as Metrotec. LT will provide technical and operational experience.

Metrotec, by bringing together companies which are normally in competition, will be a major step towards putting the British industry on at least an equal footing in bidding for the electrical and mechanical equipment contracts of international projects.

The group's main thrust will be as a marketing organisation. The companies will decide which one should take the lead in making a bid and, if the bid is successful, that company will become the main contractor.

Although the number of suitable projects is small, the potential business is very large. Cities such as Taipei, Calcutta and Baghdad are planning metros.

The five companies in Metrotec make a wide range of equipment, including rail track (Henry Boot), metro cars (Metro-Cammell), signalling and communications (GEC and Hawker Siddeley, which also makes traction equipment and rail equipment components), and power supply equipment (Balfour Beatty).

Britoil urged to drop litigation over Scott Lithgow rig

BY PETER RIDDELL AND MARK MEREDITH

BRITOIL is being urged by the Government to drop its litigation against Scott Lithgow, the Lower Clyde shipyard, over the £88m oil rig contract it cancelled in December. The rig was two years behind schedule.

The appeal to Britoil is part of the Government's wish to wipe the slate clean for a new private operator to takeover the yard from British Shipbuilders.

Ministers believe that the dropping of all litigation connected with the rig is a necessary condition for any take over.

Britoil has submitted a claim for £44m. Ministers have indicated that the Government will cover any liabilities on penalty clauses in the rig contract. But the size of any Government support for a new operator will depend on the financial circumstances at the time of a takeover.

Trafalgar House, the building, property and shipping group, is negotiating with the Government to take over the yard, Mr Norman Tebbit, Trade and Industry Secretary said yesterday in the House of Commons.

The company will today meet executives of Britoil to discuss proposals for completing the rig contract. It is thought likely that an outside group would have to be involved as project manager in any agreement reached.

A delegation from the Swedish yard, Gotawerken Arendal, which has experience in building semisubmersible rigs, is reported to be planning a visit to London. But neither Trafalgar House, nor the Department of Energy would comment on this yesterday.

Britoil will be seeking compensation for the two-year delay, but this demand may amount to no more than £4m. The company has already paid £40m from the total cost, and is prepared to pay the balance in stages as the rig moves towards completion.

It would now require completion by March 1986, in time for that year's North Sea drilling season.

On Tuesday, Mrs Margaret Thatcher, the Prime Minister, said the Government was prepared to write off the £165m losses incurred at the yard since nationalisation in 1977, as well as its immediate liabilities to facilitate a takeover.

Political pressure is building up in Scotland to keep the yard open and to save as many as possible of the 4,000 jobs. British Shipbuilders said recently that 3,000 jobs would have to go by March as a result of the Britoil cancellation.

During a trade union conference on the Scott Lithgow yard in Glasgow yesterday, Mr Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions said the yard was at the front of oil exploration technology and its loss would do irreparable damage to the British economy.

Scott Lithgow had been given an "impossible task" when it was given the Britoil contract, he added. The terms had been unrealistic because no allowances had been made for the transition to new techniques needed in constructing the rig.

When the construction timetable began to go wrong, he said, both British Shipbuilders and the Government started to blame the workers.

Mr Donald Dewar, Labour's Scottish spokesman, said the campaign against closure had jolted the Government and forced it to reassess its position.

BA opposes BCal plea for air routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS (BA), the state-owned airline, is claiming that the success of its intended privatisation would be jeopardised by any transfer of routes from it to British Caledonian (BCal) or other independent airlines.

BA contends that there would be a disastrous effect on potential investors. It makes the point in its submission, published yesterday, to the Civil Aviation Authority's review of civil aviation policy. The review is being conducted urgently at the request of Mr Nicholas Ridley, Secretary for Transport.

BCal is asking for a substantial transfer of routes and aircraft from BA to the independents – in return for a payment of over £200m – to improve the independent's competitive position.

BA argues that the transfers would be useless because they would dilute the overall UK air transport effort, which should be directed to meeting competition from foreign airlines.

The emphasis on transfers by both BA and BCal in their submissions means that the issue will become one of the most important in the policy review, and will also be politically contentious.

● The British Airports Authority (BAA), which runs most of the main UK airports, is forecasting a trading profit of about £46m in this financial year. This is about £11m higher than a previous forecast. In 1982-83, the trading profit was £35m.

The new forecast is given by the BAA in a memorandum outlining increases in aircraft landing and parking fees, and other charges to airlines, to become effective from April 1. The charges are rising by an average of 3 per cent.

The increases will range from nil at Heathrow (for the third successive year) to 8 per cent at BAA's Scottish airports and 10 per cent at Gatwick and Stansted.

The authority says it is gradually raising Gatwick's charges to reflect the cost of providing new capacity there. A satellite terminal has been recently brought into use and a large second terminal is being built.

Scientists to discuss acid rain project

SENIOR SCIENTISTS from Britain, Norway and Sweden will meet in London this month to discuss a £5m research programme into the cause of acid rain.

The UK Central Electricity Generating Board and the National Coal Board are funding the research, which will be managed by the Royal Society. Environmentalists in Scandinavia have blamed British industrial pollution – chiefly sulphur fumes – for causing acid rain, which is suspected of destroying plant life in lakes and forests.

Sir John Mason, director of the research programme, said that there was already a voluminous literature on acid rain but he considered it "not very impressive" scientifically and short on analysis.

● **THE BRITISH** Underwater Engineering Group plans to seek new private capital this year in an effort to end Government control over the business.

BUE claims to be the only all-British supplier of diving, underwater vehicle, support vessel and underwater engineering services to the offshore oil and gas industry.

● **INTRODUCTION** of computers into tax collection had not involved any real change in the jobs done by Inland Revenue staff, a High Court judge decided yesterday.

Mr Justice Walton refused to grant eight Revenue staff from the West Midlands declarations that they should not be required to operate a computerised tax collection system or be suspended for refusing to do so. The fact that computers had taken over from pen and paper did not mean that there had been a fundamental change in tax staff work, he said.

● **THE STOCK EXCHANGE** yesterday introduced a new prices and share information service which will be available to investors and their professional advisers over British Telecom's Prestel system. The system is the result of co-operation between the stock exchange, ICV Information Systems, managers of Preset Citiservice and British Telecom.

● **OVER 1,000** members of the Lloyd's insurance market are to be offered the opportunity to buy shares in one of the largest private underwriting agency companies at Lloyd's.

A.L. Sturge, the parent company of R.W. Sturge, the Lloyd's underwriting managing agency company, is to arrange a private placing, the second of its kind in recent years, of the group's shares later in 1984. Merrett Holdings raised £1.6m through a private share placing at the end of 1981.

● **UNION** leaders yesterday challenged the Confederation of British Industry's quarterly survey this week which pointed to a sustained economic recovery.

Members of the Trades Union Congress economic committee who met Mr Nigel Lawson, Chancellor of the Exchequer, said they could find little cause for optimism. They said the upturn would not last into 1985 and believed manufacturing industry was recovering only feebly from recession.

● **THE BY-ELECTION** at Chesterfield, where Mr Tony Benn is defending a "safe" Labour seat, will be held on March 1.

● **TARMAC-COSTAIN** consortium has won an £8m contract to extend the airport on Ascension Island, in the South Atlantic, the main staging post for the Falkland Islands.

● **THE** ½p coin is to be dropped from the currency by the end of the year, the Treasury said yesterday. It said the coin no longer had a useful function and was now costing more to make than its face value.

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Appointments Advertising also appears on Pages, 13, 14, 15, 16, 17, 27, 28, 29, 30.

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TECHNOLOGY

EDITED BY ALAN CANE

CITY GIVES £1.5M TO ENZYME RESEARCH

Imperial mints taste bugs

BY DAVID FISHLOCK, SCIENCE EDITOR

THE FOOD industry is the target picked by Imperial Biotechnology, as the basis of a new prospectus written for the City. It has raised £1.5m in a private placing claimed to be *one of the biggest ever done for* a university-based company in Britain.

Imperial Biotechnology is a commercial venture by the Imperial College of Science and Technology in London. It is based on a pilot fermentation plant built by the late Sir Ernst Chain in the 1960s, seen in its day as the leading edge of British biotechnology.

In 1982 Imperial College and 3i Ventures, venture capital arm of Investors in Industry, turned the plant and its staff into a biotechnology company, marketing capacity for small-scale fermentation of bio-products of high added value.

Enzyme technology is already big business in some areas

Specifically, Imperial Biotechnology has chosen to make enzymes, *the proteins* that often impart the unique flavour of a food. Enzyme technology *is already big business in some* markets, such as biodetergents, where it provides the additives *that "eat" stains.*

With the help of the new techniques of genetic engineer*ing, enzyme technology* is expected to grow rapidly in its importance for food. Some big *companies such as ICI, Unilever* and Grand Metropolitan have begun to show interest here.

Dr Trevor Langley, the biochemist who manages Imperial Biotechnology, talks of "enough *crumbs falling from the table*" of major enzyme producers such as Novo (Denmark) and *Gist* Brocades (the Netherlands) to provide him with enticing markets for highly priced enzymes and other biologicals.

For a small company, just 22 employees, *in offices a step from* the pilot plant in South Kensington, one big attraction of *enzymes is the small entry fee* it requires. The lead time should be short and the production plant and skills are already in place, Dr Langley says.

Another advantage, he says, is that the food and drink business is a big, well-defined industry in Britain, receptive to innovation but unlikely to see a company as tiny as Imperial Biotechnology as a threat. His company can therefore act as a conduit for technology transfer from Imperial College (with which it has a special relationship, since the university owns 25 per cent of its equity) and other universities, as well as from its own research programme.

The Imperial Biotechnology prospectus *isolates five promising product groups.*

The first is products for *flavour enhancement*, "*the key area for us and potentially the* largest market." The big chal*lenge here is to find enzymes* which might shorten the time—it can be anything from days to *years—now required for a food* product to develop its full flavour, or come to maturation, *as the food industry says.*

The trick, Dr Langley explains, is to understand that *the flavour is often developed* in a secondary fermentation. Once you understand the bio*chemistry, you can isolate the* enzyme responsible, breed it (by fermentation in his bioreactors) and add extra to the food processing operation to speed things up.

The reward for success will be very high added value, if the enzyme can significantly shorten a *lengthy* natural period for maturation, as is needed for some cheeses, for *example.*

Another product group is dietary formulations, the food *products sold by pharmacists.* The company is developing enzymes that yield protein-rich products, high in amino acids but low in peptides, which can have side-effects. Such foods are needed to help alleviate certain medical problems. Another, related challenge is to find organisms that avoid introducing noxious sulphur flavours.

Low yields have discouraged the food industry in the past. Imperial Biotechnology is banking on its understanding of the science. It has already provided one manufacturer with trial quantities of an enzyme for making such an "ethical food."

A third *idea is further into* the future. This is an energy-saving idea, for using biotech*nology to reduce the energy* needed in food processing. The industry uses time-honoured *mechanical* methods of cracking open the nuts, seeds, etc. to extract oils. Dr Langley *believes he can open them* "gently" but rapidly by biodegrading the shell in a fermen*tation process.*

It will probably require a mixture of enzymes to mount such an attack but enzyme mixtures are nothing new to the food processing industry.

"It's a big opportunity if it comes off," he says. Not least of the attractions for Imperial Biotechnology is that it could find sponsorship both among food processors and among food machinery manufacturers.

The fourth of its targets is to exploit a novel process the company has patented for making xanthan gums, developed in the biochemistry department of Imperial College — "a bit of the technology heritage of the college itself," as Dr Langley sees it. Xanthan gums are widely used as thickeners and emulsifiers in food processing, cosmetic and drugs industries. *If cheap enough they could find* a bigger role still in tertiary oil recovery.

Xanthan gums are gooey polysaccharides biosynthesised by the bacterium *Xanthomonas*, which absorb a lot of energy during bio-processing at present. The new process uses two stages, where one is used now, cutting the energy requirements and, claim the inventors, "rendering it more suitable for large-scale production." They have also shown how the process can be controlled by computer.

In fact, they claim their computer control can be applied in principle to any fermentation process where it is an advantage to maintain a constant specific growth rate and where continuous culture is not acceptable.

The prospectus isolates five promising product groups.

The final target in Imperial Biotechnology's current prospectus is diagnostic aids, a target widely pursued by the new biotechnology firms. But its particular target is food analysis. The company is chasing biotechniques that could help to identify the sources of food allergies, for example.

An important reason for saying little about specific bio-products for food is that it is a difficult area in which to secure patents. Bio-products was a big target for food processors early *in the century. Today there is* much "prior art" on record, particularly from the U.S. and Germany.

"You've got to tiptoe your development to test in the market and let your competitors work it out slowly," Dr Langley believes.

Machines

Diagnostics for logic

A PORTABLE diagnostic pack*age for machines incorporating* programmable logic controllers has been launched by Istel, for*merly BL Systems.*

Called "Probe," Istel developed and evaluated the *device at Land Rover's Solihull* engine and transmissions plant where some 50 programmable logic controller-based machines are in use.

These machines control processes by reacting in a programmed manner to input and output devices like motors, solenoids and limit switches.

It costs in the region of £25,000. More on 0203 555155.

Components

Toshiba unveils 256k RAM

TOSHIBA, the Japanese electronics company, is claiming a *six month lead on its competitors,* with the development of a 256K random access memory (RAM). These chips are used in computers and other electronic equipment.

Random accessed memories come in two versions—static and dynamic. They allow information to be stored and changed. The static RAM (Toshiba's 256K device is such) need typically four to six times the number of transistors to make up the memory. This is because static RAMs do not need to be constantly reminded what they are storing by electronic pulses as do dynamic RAMs.

This is why static RAMs are normally used in compact equipment with low power requirements while a dynamic RAM is used in very large computer systems because they are cheaper and cost is important.

The RAM packs more than 1.6m elements which make up the circuit on to a chip measuring 6.68 by 8.86mm. This tiny chip could store information equivalent to a full page of the Financial Times.

Toshiba says that samples of the memory have already been made and will probably find a home in personal computers, office automation equipment, measuring instruments and medical equipment.

The RAM, *which is called an* ultra scale integrated circuit, comes out of Japanese govern*ment funding of electronics* companies since 1976 when the country's Ministry for Interna*tional Trade and Industry,* commissioned a four-year very large scale integration develop*ment programme. Now the* companies are funded under the Fifth Generation Computer *project which requires very* complex silicon chips such as the memory.

Toshiba had to be able to etch the lines which make up the circuits on such chip as small as one micron in width which approached the limit of nology. The company, however, says that its technology will make possible memory circuits four and 16 times larger than its latest chip.

ELAINE WILLIAMS

Control systems

Manchester Airport automates its runways

BY MICHAEL DONNE

Mr Jim Shepherd, head of technology, shows off the new system.

MANCHESTER AIRPORT, the third largest in the UK, is about to instal a new computerised concept of control of the airport. This is expected to lead to substantial savings in running costs and to improve overall airfield operational efficiency.

Called the Airport Digital Information System (Adis), it is designed to enable key staff to be kept continuously informed of all the myriad functions of the airport, from the control of aircraft on approach to landing, through to ground handling of passengers in the terminals. If anything goes wrong anywhere, everyone knows about it at once, and can take the necessary remedial action.

The system, because of its complexity, is being introduced in stages. The first stage, inaugurated this week by Mr David Mitchell, Parliamentary Under-Secretary for Transport, is an automated aircraft docking system.

An aircraft landing at the airport, even under the worst possible weather conditions, can be guided once on the ground to its appropriate gate by a computer-controlled system of ground-based sensors and taxi-way and apron lights that will ensure that the captain does not take a wrong turning or get confused by other traffic. Only the apron lights that will lead the aeroplane to its bay are on.

This is expected to result in greater safety in ground manoeuvring, as well as greater speed in passenger handling.

Already, the system, patented by the Manchester Airport Authority, has aroused considerable interest from 11 airports overseas.

Invented by Mr Jim Shepherd, the airport's head of technology, the automated docking system has been built by local companies—Forest City Signs of Timperley, near Altrincham and Genetek, a newly-formed company near Chester that makes the sensors used in the system.

GEC at Rugby has also been involved, and talks are under way on possible arrangements for world marketing.

Manchester Airport sees the system being expanded to cover every aspect of airport activity, from flight information displays through to telephone communications, catering, loading and unloading cargo, noise monitoring, security, personnel and management information, and air traffic control and navigational aids.

Heart of the entire system is a Central Organising Processor, into which can be fed continuously updated detailed data on every aspect of the airport's activities.

This information can then be used in a wide variety of ways. It can be channelled through other computers and converted into command signals for specific functions, as in the automated docking system, or simply used in viewdata form to provide information for personnel throughout the airport.

Paper

Feeding lasers

A SWISS company, Fobelmac SA of Lugano, has been tackling the problem of handling the high rates of paper throughput resulting from laser printing.

These machines, able to print at 15,000 to 16,000 lines a minute, both demand and produce large piles of paper very quickly. They have to be stopped every few minutes to have new supplies of paper loaded. So usage is limited by the practicalities of ordering, storing, loading, cutting, sorting and distributing.

Fobelmac has devised the Optical Self-Moving Business Form System, or OSMOBUFS which enables the printer to use plain paper rolls. These, compared with the traditional continuous pin-feed forms, are cheaper to buy, easier and less bulky to store and can provide enough paper on one loading for a two hour, non-stop run.

OSMOBUFS will punch filing holes, add perforations, cut the continuous length into individual sheets, and stagger the output stack of documents so that each sub-section—for example each client's letter and enclosures in an insurance company operation—can be easily removed and sorted ready for mailing. More from the UK representative, M.A. Robinson Associates, on 0628 75875.

Computers

Test systems

A HIGH SPEED test s for very large scale integ systems has been intro by Fairchild. Based o bit VAX 11/730, the 'I 50 can test microproc logic arrays and mu assemblies. More deta 04254 70117.

CONTRACTS

Renovating Cairo's sewage pumping station

An $18.5m (£13.2m) contract for the repair of municipal sewage pumping station has been signed by the Cairo Wastewater Organisation and SADELMI NEW YORK INC., a part of the Sade/Sadelmi Construction Group. As part of the Greater Cairo Wastewater scheme, the contract covers the supply and installation of equipment and repair of some existing equipment in eight ageing wastewater pump stations in five locations in Greater Cairo. The contract also calls for the refurbishment of eight pump station buildings and for the construction of two new ancillary buildings. The project is financed by the U.S. Agency for International Development. Work is expected to begin in March and to continue for 22 months. *Sadelmi is an affiliate of General* Electric Co. of the US.

★

Wiltshire Newspapers, the Swindon-based division of Westminster Press, will switch from letterpress to web offset printing this year. A contract has been signed with CREUSOT-LOIRE for the purchase of Super Gazette press equipment comprising seven Mono units and one four-colour satellite unit. The machinery will be installed together with additional Super Gazette equipment (four Mono units and one four-colour unit) purchased second-hand recently. The cost of the press installation and related building works will exceed £1.7m. Photosetting replaced hot metal equipment at Wiltshire Newspapers in 1983.

★

OAKWOOD GROUP, via its civil and electrical engineering subsidiary Clough Smith, has been awarded by Cable and Wireless, acting as main contractor to Mercury Communications, a contract valued at around £1m for cable laying works. These will involve laying optical fibre cables on railway routes between Birmingham and Manchester as part of Mercury's trunk telecommunication network.

★

The Telegraph and Telephone Department (T & T) in Pakistan has *placed two orders worth* £6.1m with ERICSSON, Sweden, for deliveries of the fully digital AXE 10 switching system. The contracts cover a local exchange for the city of Rawalpindi and an international exchange for Karachi and include installation and training.

★

THORN EMI MICROLOGIC has an order worth over £1m from Telefusion for 325 of Micrologic's TEM 2500 POS terminals, which will be installed in Telefusion's 286 shops (which also trade as Trident and A. R. Partington) and 30 maintenance depots. In the shops the TEM 2500 will handle sales, rentals, deposits, exchanges and renewals.

★

CCA (OFFICE & FACTORY CLEANERS), Shipley, has been awarded a contract in excess of £500,000 per year to provide daily cleaning services at two Bell Telephone plants in Belgium. CCA is a member of the Care Services Group.

★

COMPUTER SYSTEMS AND PRODUCTS has gained a £2m contract to assist the W. H. Smith organisation to computerise its wholesale news division business in England and Wales. Over the next two and a half years, CSP, which specialises in computer services and products for the newsagency trade, is expected to supply W. H. Smith with up to 50 DEC VAX computers. *The computers will run* software developed by W. H. Smith and CSP and will be based on the system house's Newskey news distribution software package.

★

Daewoo Shipbuilding & Heavy Machinery, a shipbuilder in South Korea, has placed orders in excess of £300,000 with the WALTER KIDDE CO., Northolt, for Halon 1301 fire extinguishing systems. *The equipment is to* protect the engine rooms of 30 bulk carriers being built for the Islamic Republic of Iran Shipping Line. Each system will require about 2,000 kg of Halon 1301 and achieve the required design concentration within 20 seconds.

BOND DRAWINGS

NOTICE OF REDEMPTION

EUROPEAN COAL AND STEEL COMMUNITY (E.C.S.C.)

6½% 20 Year Bonds of 1967 due 1st March, 1987

The Commission of the European Communities informs all Bondholders that a selection by lot for principal amount of US$1,628,000 has been made for redemption in the presence of a Notary Public by *Banque Internationale à Luxembourg.*

9146 to 9149	9156 to 9187	9191 9192	9194 to 9196
9234 to 9249	9284 to 9301	9306 to 9326	9331 9332
9337 to 9340	9348 9371	9377	9383 to 9400
9404 to 9426	9450 to 9455	9473 to 9477	9488 9489
9512 to 9521	9531 to 9549	9552 to 9567	9561 to 9580
9596 to 9600	9801	9806 to 9851	9853
9856 to 9885	9961 to 9963	9965	9978 to 9980
10032 10037	10041 to 10055	10067 10139	10140 10150
10155 to 10158	10166 10167	10183 to 10185	10195
10218 to 10242	10245 to 10257	10309 to 10318	10329 to 10335
10428 10429	10452 10453	10459 to 10463	10466 to 10473
10478 to 10480	10482 to 10484	10486	10523 to 10565
10596 10597	10599	10601 to 10604	10621 to 10625
10644 to 10663	10816 10817	10836 to 11135	11197 to 11211
11258 to 11264	11266	11268 to 11361	11353 to 11360
11372 11373	11379 to 11387	11393	11396 to 11399
11401 to 11406	11413 11414	11418 to 11436	11438 11439
11441 to 11477	11628 11629	11633 to 11772	11779 to 11801
11803 to 11855	11862	11869 11870	11874 to 11882
11885 to 11890	11895 to 11904	11915 to 11924	11935 to 11944
11947	11960 to 11963	11966	11985 to 11994
12000 to 12002	12006 12007	12018 to 12083	12085 to 1210
12102 to 12107	12113 12114	12117 12118	12120 1212
12123 to 12126	12133 to 12149	12166 12167	12184 to 1219
12201 to 12224	12231 to 12236	12242 to 12276	12293 to 123
12401 to 12406	12465 to 12500	12701	12838 12
12844 to 12847	12851 12852	12864 12869	12884
12891 to 12893	12900	12918 12919	12977 to 1
12990 to 12999	13039 to 13055	13058 to 13067	13073 1
13087 to 13095	13111 to 13120	13130	13153 1
13156	13158 to 13160	13185	13188 to 1
13210 to 13213	13221 to 13224	13238 to 13240	13242 1
13254 to 13256			

Principal amount of Bonds purchased: US$72,000
Principal amount called for redemption: US$1,700,000
Principal amount unamortised after 1st March, 1984: US$4,600,000

The Bonds selected by lot will be reimbursed on or after 1st March, 1984, with the coupon due 1st March, 1985 and following, in accordance with the terms of payment mentioned on the Bonds.

Luxembourg

2nd February, 1984

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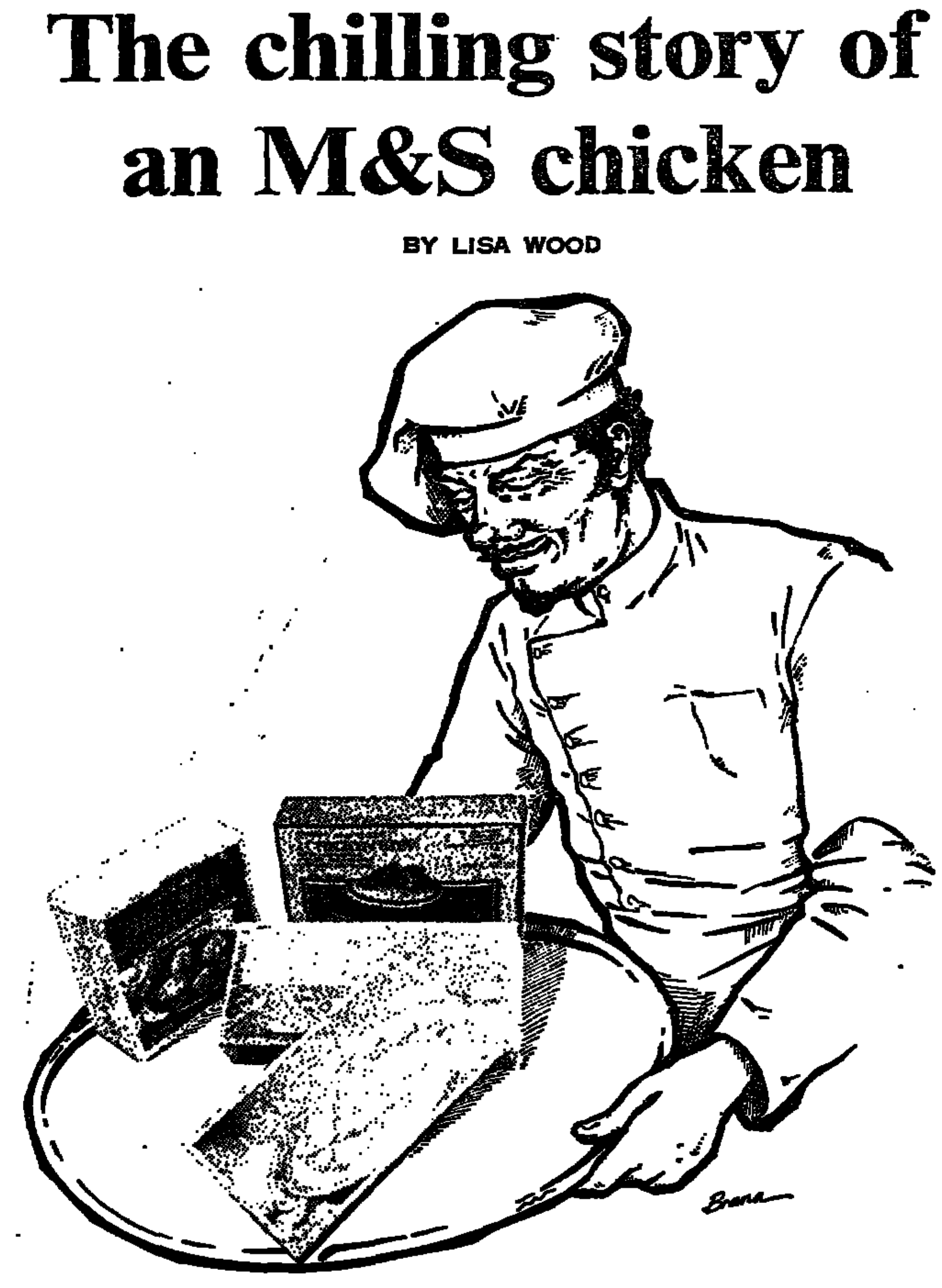
THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

From farm to shelf

The chilling story of an M&S chicken

BY LISA WOOD



IT ALL began in 1963 when Marks & Spencer, which until then had dabbled in simple commodity foods such as dried fruits and biscuits, sold its first fresh chicken in a Wolverhampton store.

Over the ensuing years the simple uncooked chicken has evolved. First it became a roast, then an individual portion, then a continental-style filleted and stuffed bird for the rotisserie, then a breaded and crumbed portion and most recently the famous Chicken Kiev. This is a boned portion, deep-fried in a coating of flour, eggs and parsley with a garlic butter sauce inside.

Chicken Kiev, and the plethora of other perishables—now being added to the food range at the rate of five a week—have one thing in common: they are all chilled, not frozen.

"An easier option, and one we would not denigrate, would have been to freeze," says Dr Tom Clayton, senior technical manager at M & S, Britain's largest retailer. "But we identified a place in the UK market where we could offer freshness, quality and value—and volume production."

Chilled convenience "fresh" foods, many ready to go straight into the oven, have made such an impact that they have now climbed to 50 per cent of M & S's food sales. And food accounts for 38 per cent of M & S total sales which were £2.5bn in the year to March 1983.

M & S's success in these "added value" products with a short shelf life has become something of a legend in the food industry. The company that still sells a third of Britain's underwear is now the market leader in the one growth area of Britain's generally static food market.

The story is one of high product innovation—hand in hand with its 350 food suppliers—and painstaking attention to difficult technological problems over chilling (M & S is currently not very keen to give away too many of the answers to the competition). In the broadest sense it is one of the most successful marketing exercises of the past decade.

Its backbone is the food division where the 110 technologists have from the start imposed their traditional obsession with quality on suppliers.

Realising from the beginning that efficient distribution was crucial, M & S put the contract to tender. The winner, BOC, the industrial gases group, set up a system to get fresh produce to stores within 24 hours of manufacture. BOC Transhield, which runs some 400 vehicles and employs 1,600 people, polices it too. Chilled produce which reaches any of its six nationwide depots too warm or too cold is rejected.

The chain begins with the raw material supplier. M & S inspects the premises of those who tender to its food manufacturers. With animals, for example, it stipulates breed, foodstuffs, age and method of slaughter. (M & S says that an animal which is under stress before it is killed is tougher to eat.)

The relationship with the food manufacturers themselves is even more intense with recipe specifications of up to 24 pages on ingredients and methods. Riverside Pork Farms, in Nottingham, part of Northern Foods, produces 85 per cent of its output for M & S. Products include cottage pies, quiches, chicken pies, stew and dumplings and a steak and kidney pudding.

A new £3.5m factory, opened 18 months ago, was designed in consultation with M & S. Its special insulated frame design allows the dimensions of rooms to be changed and even adapted into refrigerated areas.

"As a supplier to M & S we have to react quickly to new product demands and we need great flexibility. This is an instant business and we are selling M & S a manufacturing service," says Jack Slatter, the general manager.

It usually takes between three and nine months for a new dish to be transformed from an idea to being put on the shelf but response can be much quicker—Pork Farms' record is three weeks.

Northern Foods, which acquired Pork Farms in 1978, has been supplying M & S since 1974. "But," says Slatter "we have no formal contract. Either side could terminate the agreement tomorrow. The relationship is based on us being able to give M & S the quality of produce it requires. Conversely, if M & S customers respond we get a volume of business. We do a great deal of work hand in hand."

M & S chefs in London create some of the new dishes, but many new products are devised by suppliers working with M & S food technologists and selectors who are product developers. Pork Farms has its own chef, Tony Pape, formerly of the Grand Hotel, Brighton. His brief is to create new dishes and not worry about whether or not they can go into volume production.

Beef stew and dumplings, a new dish just about to go into volume production at Pork Farms, started off 18 months ago as their idea. "We suggested goulash with caraway dumplings. It wasn't liked by M & S who thought it too way out," says Slatter.

They worked on the product together until they "designed" this classic English dish, rather than a Hungarian one. Store trials in November were successful and production will soon reach 40,000 units a week.

All M & S suppliers have to cost new products at volume production. It's risky for the supplier if the product fails, but if it's a winner, production levels are high and returns are good.

The Pork Farms factory had six M & S food lines at the start; now it makes 14 with more in the pipeline. Riverside Pork Farms has its own panel of tasters drawn from the workforce. Last week a tiny bone found in a pie by a taster drew the telling comment: "The line manager has been informed."

Attention to detail in this spotless factory verges on the obsessive. A 20-ounce chicken pie, for example, contains meat in a cream sauce. Because the meat would not necessarily be evenly distributed in the sauce and some customers might complain that there was insufficient meat, it is individually weighed out for each pie.

Production also tends to be labour-intensive. If M & S wants an extra slice of tomato on a quiche it's easier and cheaper for an employee to be informed than modify a machine. Cleanliness, from hairnets to health forms for visitors, is paramount. Produce is fast chilled to maintain freshness and quality.

And it is at this point that the perishable foods enter a chain of controlled temperatures that is maintained until the shopper carries the food away.

At the end of the day the products are shipped to BOC Transhield's six depots, all of which contain huge chill rooms. Produce is broken down into individual store orders and distributed around 6 am. Stores are allocated produce by headquarters after submitting weekly sales figures. M & S admits it still has not got Saturday deliveries "quite right," shelves often being depleted by lunchtime.

Peter Brinsden, general manager of BOC's Hemel Hempstead depot, has no doubts about the benefits of the relationship with M & S. "We have open-book accounting with M & S. They know our costs. At the start of the year we agree on a profit figure."

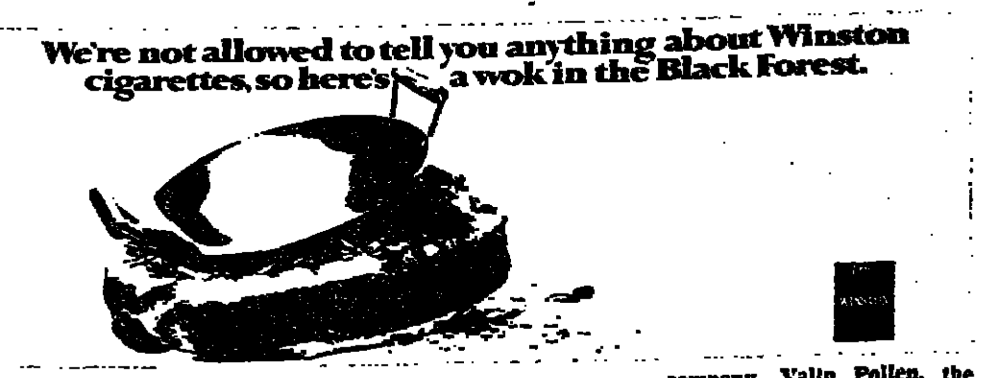
On a busy night Hemel will distribute chilled and fresh produce worth about £1m. Labour relations are crucial. The company, when it started the business in 1972, realised the potential damage from night stoppages. So, the promotion of good industrial relations has been a primary goal. The record at Hemel is good, but BOC has been prepared to be ruthless in the past. Four years ago a 12 week strike at a Liverpool depot resulted in its permanent closure.

Asked whether or not M & S's close scrutiny of depots was intrusive, Brinsden replies: "The level of standards we have achieved are proof that M & S has been obtrusive."

At the end of the chain it's the customer who finally decides whether M & S's claims for value for money, quality and freshness are fulfilled.

M & S does no market research. Trial products go to about 20 stores. Senior staff take them home for tasting. Store staff can also make comments because they eat the foods in the canteen: "Don't forget we have 34,000 women working for us," says Dr Clayton.

Experience with launching new products is now so finely tuned that M & S claims it knows whether or not it has a "riot or a disaster" within one week. A significant number it admits are disasters. One new product lasted about 20 minutes before an M & S executive ordered its removal. But the burden of innovation is clearly one which it bears with its suppliers.



AD HOC

WHEN it comes to getting noticed—the first principle of every ad—the current Winston cigarette campaign seems to be doing its job. Off-beat it is, nonsensical even, but boring . . . never.

"We're not allowed to tell you anything about Winston cigarettes. . ." runs the copy line ". . . so here's a stuffed aardvark" or, more excruciatingly, showing a wok plonked on top of a chocolate gateau ". . . so here is a wok in the Black Forest."

What's it all about, then? And is it having the desired effect? It was quite brave of the client to accept the idea," concedes J. Walter Thompson, the agency which came up with the concept unprompted. "Not so much brave as an act of faith. We believe in creative advertising. Most cigarette adds are so dull and boring," says Mike Perry, general manager of cigarette marketing at Gallaher, the client.

Winston is hardly the core of Gallaher's business (that falls to top brands Benson & Hedges and Silk Cut), representing less than 1 per cent of total UK cigarette sales. Gallaher's truly brave step, says Perry, was the launch of the surreal B&H campaign (from Collett, Dickenson Pearce) back in the late 1970s.

The idea of Winston was to build a personality for the brand—bearing in mind, of course, the stringent advertising rules agreed with the Government in 1977 which makes the product notoriously tricky to promote. Thus the posters, press and underground Winston ads are aimed at the 25 to 35 year old male, with a strong London, South-East bias, who tends to be streetwise and with an anarchic sense of humour.

Gallaher has agreed to extend the campaign while it continues to provoke a positive reaction. "Trade response is good, with a lift on orders especially from existing stockists," says Perry, who also reports a direct consumer response.

●

NOW THAT the sums are done, in advertising terms 1983 shows itself to have been a vintage year. But 1984 is looking even better. "An all-time high," predicts Mike Waterson, research director of the Advertising Association. "We are particularly confident that all aspects of the industry—advertisers, media, agencies—will be spending or receiving more money than ever before."

MEAL (Media Expenditure Analysis Ltd) figures just released show that display advertising topped £2.78bn in 1983, an increase of 18 per cent on 1982. However, this is at rate card costs and does not account for the substantial discounting that occurs. In the past six years expenditure has nearly tripled at current prices — 1978 recorded £975m.

Television enjoyed a 23 per cent increase in gross expenditure to £1.76bn though Channel Four will account for some of that. Four's figures show £18m for the launch months of November and December 1982 and £117m in 1983.

Press was up by 12 per cent overall to £1.02bn with main increases predictably in weekend supplements (up 20 per cent), popular Sundays (up 18 per cent) and qualities (up 18 per cent).

Product groups with the largest increases in expenditure were speciality foods (such as Birds Eye foods; Sharwoods new ethnic ranges) which leapt by 168 per cent; food processors (Moulinex Multichef spent over £1m) up by 147 per cent and computers up 124 per cent from £11.3m in 1982 to £25.5m in 1983.

Of the top ten spenders by product category, the top three stay the same—department and retail stores (with £184.7m), motor cars and chocolate confectionery respectively. Only new entry is joint stock banks with a spend of £44.9m.

●

FOR Richard Pollen, ex-stockbroker, taking the floor at the Stock Exchange on Monday was like old times. Only on this occasion it was his own company, Valin Pollen, the financial and corporate advertising and public relations consultancy, that was going to market, making its debut on the Unlisted Securities Market.

Both Pollen and chairman Reg Valin had reason to be well pleased at the close of the first day's trading with a 50p premium on the placing price of the shares resulting in the company being valued at just under £7m. Stockbrokers James Capel had placed the 685,000 ordinary shares—16.2 per cent of the equity—at 110p each.

Valin Pollen is something of an unusual animal. While concentrating on corporate and financial communications, it straddles advertising, public relations, marketing, research and design in order to offer clients a range of options from its own resources.

Others, it maintains, do not have such an integrated facility under one roof.

This means it competes with top West End agencies, like Doyle Dane Bernbach, Saatchi and Saatchi and Davidson Pearce, and corporate and financial PR companies like Good Relations, Burson-Marsteller, Dewe Rogerson, Streets Financial and Charles Barker City. In its four years' existence it has won 16 of its 20 creative presentations, as well as a number of awards for its design of annual reports.

From no clients and four staff in 1979 VP has risen to 75th in Campaign's advertising agency table with 84 staff, £12.4m of billings, and a clutch of blue chip clients—including Standard Chartered Bank, Tate and Lyle, British Telecom, BP, and the BOC group.

Valin Pollen regards itself as the first specialist financial advertising agency onto the USM though it is the second advertising agency after Wight Collins Rutherford Scott.

Feona McEwan

THE ARTS

Mr Hyde/Hemel Hempstead

Martin Hoyle

This arabesque on Victorian themes is full of references, allusions and resonances. In the opulent plush of a gentlemen's club—Gregory Smith's lushly cluttered set imbues John Chapman's production with the repetitive claustrophobia of a cageful of captive beasts—the members attend entertainments of an increasingly sinister nature. In Madeleine, the overseer who reminisces about poisoning her French lover, the murder buff will spot the historical Scot Madeleine Smith. A reference to the death of a small boy planting an anarchist bomb recalls Conrad; mention of Cleveland Street evokes scandalous memory of a specialist *maison particulière*, the enigmatic Duke of Clarence and therefore, at fashionable journalistic insistence, Jack the Ripper.

One member is a painter with access to privileged circles, as was Sickert, according to some Ripper experts. Another shows that predilection for young girls that so oddly, and often innocently, characterises many loved Victorians. Outside the mob rumbles menacingly; 1887 with its bloody civil strife passes into the year of the Whitechapel murders.

Vicarious experience and the non-communication between sectors of a rigidly formalised society are themes that recur. The painter feverishly draws the club's Irish bully boy in an attempt to capture the face of a recent murderer. "We're not us — we're struck in their dreams!" cries a girl forced into participating in *tableaux vivants* for the members' questionable pleasures. For the discreet police, the house does not even exist: a privileged laboratory for experiments in feeling, where ultimately only a real killing can satisfy the jaded palates of the voyeurs, suspended in space and morality.

Indeed, Alan Drury has stuffed his rich Victorian pudding with too many plums. Themes are glimpsed but not developed, like the glance at masonic brotherhood and the striving towards a Nietzschean super-morality ("Authority binds society together; morality merely makes it feel nice afterwards"). The mysteriously pseudonymous Mr Hyde, a newcomer to the club, transpires not to be even poor Eddie Clarence (allegedly feeble-witted) but an angelic harbinger of death, icily contemptuous of his devotees. Today he has proselytised all too successfully; sadistic voyeurism is no longer, thanks to electronic advances, the territory of the powerful.

All credit to the writer for an unabashed approach to metaphysics and indeed the supernatural, though his care for the formal correctness of period language should have blue-pencilled "pardon?" and "this day and age" at rough draft stage. The production, in Hemel Hempstead's handsome Old Town Hall Arts Centre, as yet needs more varied rhythms and, as in two simultaneous conversations on different sides of the stage, more precision. Its strength, in this Paines Plough presentation, is in the generating of an impressionistic mood, the atmosphere of "a city of the walking dead." A somewhat *specialised view of the time* and place of the premières of *Ruddigore* and *The Yeomen of the Guard*, for example, but, as a murderously decorative fleurish of high mock-Gothic, it provides (as the gentlemen members say) a frisson.

Saleroom

A four-volume set of books by John James Audubon, "Birds of America," sold for £1,100,000 yesterday at Sotheby's London sales of atlases, natural history and travel books. The price, paid by the New York dealer James Berry Hill, was a world auction record. The first edition volumes, printed between 1827 and 1838, featured 435 hand-coloured aquatint plates by W. H. Lizars and Robert Havell Jr.

The sale totalled £2,213,860 with 8.9 per cent bought in. A composite atlas by the brothers Reiner and Josua Ottens, published about 1730 in Amsterdam, was sold for £96,800 to a private American collector.

A 19th century six-volume travel book, "The Holy Land, Syria, Idumea, Arabia, Egypt and Nubia," written by David Roberts and Louis Haghe, fetched £66,800 from a London buyer.

A first edition three-volume copy of Redouté's "Les Roses," published in Paris 1817-24, was bought for £74,800 by the London dealer Robinson.

Architecture

Gillian Darley

A house for the Eighties

Among the bijou conversions and panel beating workshops of the mews and back lanes of central London is to be found some of the best contemporary architecture in Britain. Such places offer those all too few plots of land on which an individual house can be built, and it is here that many architects have slotted in their own houses — the best available trade-card an architect can show a potential client.

The latest addition to their number is David Wild's house in Kentish Town, which he not only designed but built over a period of almost four years. This house is no modest recluse behind high walls, or set deep into the ground—it functions, at first sight, as a triumphal arch at the culmination of Reed's Place, a short paved-over street which links St Pancras Way with Rochester Place as a footpath. The elevation is consciously designed to be an eye-catcher, in the 18th century sense of the structure that closes the vista.

In fact, rendered white, and cut into by a gigantic window-wall, it is simple enough to be a discreet neighbour to the little two-storeyed stucco cottages of Reed's Place. Its antecedents are plain to see. The glazed wall, the terraces and balconies that interrupt the cube of the house, and the absolute geometry that becomes a flexible affair once you enter the house are the legacy of early Le Corbusier—such as the Villa Schwobb of 1916—and the Dutch pair, Oud and Rietveld, whose immaculate houses immediately after the First World War trod this same path between pure modernism and a classical rhythm.

David Wild's house is entered below the first floor balcony, and the ground floor—utility room, his son's bed-sitting room and a spare room—is classically functional and, even, rusticated, though the Renaissance hewn stone is replaced here by sparkling glass bricks. The entry itself is marked by sentinels: a fine poplar, the kind so beloved of architects' drawings but rarely actually to be found on the site, and the pair of slender round concrete columns that support the balcony and provide the first grid points of the geometry, a system taken further inside.

At first sight a triumphal arch: David Wild's home

This south western facing elevation is not just hyperbole; it allows for a real "piano nobile," a grand first floor. It is in this living room, divided between sitting to the front, cooking and eating to the back, that the real dimensions of the house are plain. It is in fact a perfect double cube, 18 ft by 36 ft, made generous by skinny, but highly insulated roof and party walls. Bites have been taken out of the cube; balconies front and back, the staircase which, by dint of half-landings, allows for glimpses back down into the room via a glazed internal wall, and even a fireplace. The core of the room is marked out with four columns; two stand the full 12 ft clear, two mark the point where ceiling height is lowered to accommodate the principal bedroom above. Up again, beyond the bedroom and bathroom, the entire top floor is a studio, with a slice taken out for a roof terrace.

By building the house himself, helped by his son, a bricklayer and various specialist subcontractors, David Wild estimates the cost at around £35,000, excluding the site which was a minimal figure. Materials are blockwork, self coloured, newly developed rendering, with concrete, poured in situ, for the columns and foundations.

Despite recent protestations by the newly inaugurated RIBA president Michael Manser on the subject of intrusive aesthetic controls by planners, David Wild's experience in Camden was of absolutely minimal interference.

The house, despite its orthodoxies taken from the modern movement and its almost fanatical repetition of the basic geometries, is no chilly exercise in absolutes. It offers plenty of surprise; half levels, oblique-angled vistas (especially from the glazed stair well) and a rich use of colour all add to its vitality. The use of a rich palette of ochre, Pompeian red and cerulean blue warms the eastern wall of the principal room, while elsewhere black and white are tempered by creamy wooden floors and silvered Venetian blinds. Light floods the house, and the great window is, in David Wild's term, the "lens"—contact point from outside, focus and filter from inside.

David Wild was able to build his own house since his teaching job allowed him to shift his time-table: evening teaching freed him to be on site at least some days in the week. With many more professionals on flexible work schedules, the path David Wild followed ought to be a possibility for an increasing number of people. Certainly, looking down the street to compare his house against a pair of "converted" cottages, glazed to the north, tiny windows to the south, standing on a site of identical dimensions, and for sale at over four times the cost, David Wild has cause for self-congratulation. Here is architectural quality—an example of which house builders might take note as they submerge the cities beneath a flood of houses dressed up with phoney period detail and ludicrously mean dimensions.

The Biko Inquest/Riverside

Michael Coveney

A group of distinguished British actors headed by Albert Finney, Maggie Smith, Glenda Jackson and Richard Johnson forms an independent company — United British Artists — and opens at the Riverside Studios with a dry, clinical, unfussed account of the inquest into the death of Steve Biko. No greater contrast with Ray Cooney's rival *consortium based at the Shaftesbury* could be imagined.

And yet if these new alliances stick together and stay the course, and the Haymarket Theatre-based classical revival company Triumph Apollo continues to prosper, we could be talking in a year's time of a complete transformation of the London theatre scene, with the National and the RSC no longer, if even they still are, the unchallenged pace-setters.

UBA's first show has an all-male cast. Finney and Johnson are joined by such notables as Mark Dignam, Michael Gough and John Standing, in this quietly serious account of the inquest compiled by Jon Blair and Norman Fenton from records, records chiefly gathered *from reports in the Rand Daily Mail*.

Biko, you will not have forgotten, was a black South African student leader who, in 1977, one year after the Soweto riots, was arrested and detained in a Port Elizabeth prison where, mysteriously and overnight, he contracted "a brain injury." He died shortly afterwards, the 45th known fatality in detention under the security police since the first in 1963.

Finney plays Sydney Kentridge, counsel for the Biko family at the inquest, and directs the proceedings. These chiefly involve the tying into contradictory knots of reports submitted by pathologists, surgeons and security police, all under the detached gaze of Mark Dignam's magistrate.

The impact of the show lies in the details, the horrendous ease with which police and doctors conspire to accuse the dead man of shamming, of having deliberately banged his head against a wall it was palpably impossible for him to have reached, as he was chained by the legs at the time.

Finney, *grey-suited*, persistent, is either reading a script or checking his facts. It does not matter much. There is no attempt to dress the show (wrong word) in artifice. No one really acts very much which, given the personnel on stage, is almost remarkable.

John Standing, as counsel for the Attorney General, caves in wanly before almost every *shred of Kentridge's irrefutable* evidence and blurts out a few defensive generalities in the summing up. Michaels Aldridge and Gough come and go. Edward Hardwicke drifts on and off as a pathologist. Nigel Davenport lets slip a few indiscretions as the head of the security police. All very worthwhile but all very dull.

Alastair Muir

Albert Finney

Book review

Surrealists on screen and off

My Last Breath: The Autobiography of Luis Bunuel (Jonathan Cape, £8.95. 256 pages)
Roman by Polanski (Heinemann, £12.95. 393 pages)
Chaplin: The Mirror of Opinion by David Robinson (Secker & Warburg, £9.95. 194 pages)

Surrealists, like magicians, hate to surrender their secrets. So it's a minor miracle when two surrealists' autobiographies appear in the same month. Bunuel's *My Last Breath* moves majestically through the Spanish film-maker's 83 years of life and subversion, and Polanski's *Roman*, whose title teasingly suggests fable or tall story as well as the author's first name, gives us the memoirs of a mercurial expatriate.

No two masters of movie non-sequitur could be more different. Compared to Polanski's persona of a hellion playboy who routes himself when required into artistic seriousness, Bunuel's reminiscences have the sumptuous calm of a man who knew from his earliest work—*Un Chien Andalou*, the free-association masterpiece he made with Dali in 1928—exactly what he was about. Even the Spanish director's extraordinary career hiatus between 1932 and 1947, when he didn't direct a single film, seemed to leave him unruffled. He simply picked up his camera at the end of it and spent the ensuing thirty years turning out masterpiece after masterpiece: from *Los Olvidados (1950)* to *Viridiana* (1961) to *That Obscure Object of Desire* (1977).

This "semiautobiography (his own term), freely punctuated with reveries and digressions, has been tidied into book shape by his screenwriter friend Jean-Claude Carrière. It is at its weakest when Bunuel is chugging dutifully through his early curriculum vitae, from bourgeois boyhood in Saragossa to university in Madrid to his oddly unexciting account of the Spanish Civil War. "These details are excruciatingly boring, I know" he admits in one chapter, "but if you want to follow the sinuous route of a single life . . . it's impossible to tell what's superfluous and what's indispensable."

What's definitely indispensable are the moments when Bunuel simply sits back and sounds off about his beliefs, his prejudices and his dreams. Especially in the marvellous chapter called "Pro and Con," *when* he free-associates about everything from the perfect dry Martini to the merits of Borges. Here is the essence of Bunuel the artist and surrealist: when life is defined not by externally imposed structures but by the cosmic knock-on of the irrational.

What's also indispensable is the formidable armada of Bunuel *mots gratuits* — often deliberately outrageous like "The idea of burning down a museum has always seemed more enticing than the opening *of a cultural centre or the inauguration* of a new hospital—and the portrait of a fantasist and free thinker for whom the only inadmissible word in the dictionary is 'taboo'."

Polanski's 400-page self-history is externally much more eventful. A *bildungsroman* from cradle to media crucifixion, *Roman* reads almost like a lost Gunther Grass novel. Polanski *grew up* in Nazi-occupied Poland, lost his mother to the Auschwitz gas chambers, squeaked narrowly into the Lodz Film School (alma mater of Wajda and Skolimowski), emigrated to Paris and then Swinging 60s London, crossed to Hollywood; and since then his progress through fame, fortune, bereavement by murder and banishment by legal imbroglio has been charted in every gossip column in the West.

Roman Polanski

Polanski, on the two occasions I've met him, has seemed an irrepressible ball of charm: part tousled overgrown schoolkid, part articulate and infectious movie buff. But there's also, one doesn't doubt, a pestilential side to him. On his own admission in the book, he can be a vicious practical joker (so could Bunuel), and as male chauvinists go he has probably gone farther than anyone.

Yet his best film work — *Cul de Sac, Rosemary's Baby, Chinatown*, the first half of *The Tenant* — combine delirium and logic in exactly the shining, restless, driven style that marks his autobiography. Like Bunuel, he's leaned on a freely confessed ghost writer, or rather collator of tape - recorded reminiscences, Edward Behr. But, again as with Bunuel, the sound of the subject's voice comes through. Few people could have described a 42-day sojourn in prison (Chino, California, 1977) with such un-self-pitying clarity and even comedy, though his last film *Tess* was bland and overblown, like an exile's good behaviour submission from abroad, it's unlikely to be long before his film career rallies and thrives again.

Welcome to David Robinson's *Chaplin: The Mirror of Opinion*. The Times film critic, and my predecessor in this newspaper, glides authoritatively through Chaplin's career, examining the way it was reflected and refracted in the looking glass of critical esteem. Chaplin's films, I have to confess, usually fo re me into the anxious contortions of duty criticism. That is to say, I don't really like them but I think I ought to. I recognise and admire Chaplin's artistry and I certainly recognise the strength and width of his influence. But I don't much like Chaplin's hat-in-hand wooing of the audience, whether for laughter or tears, nor the proscenium stiffness of his directing style. (Compare Keaton's vivid visual fluency).

But Robinson's resourceful slalom down the slopes of past criticism finds an echo for every response, pro or con, and usually an eloquent one. He also combs newspaper and magazine columns for reactions to Chaplin's private life and much-debated political allegiances; both areas no less controversial than his films. Apart from a tendency too verdose us on plat synopses—surely anyone keen enough on Chaplin to buy this book would already know the plot of *City Lights* or *Modern Times?*—this is a stalwart and hcolarly addition to your bookshelf.

NIGEL ANDREWS

Van Dam's Bach/Barbican Hall

Max Loppert

José van Dam on Tuesday took time off from the title role of the current Royal Opera *Wozzeck* to sing Bach cantatas at the Barbican, with the Academy of London. That the Belgian bass-baritone excels equally in Bach and Berg should come as no surprise; for his mastery of both composers depends equally on the beauty, fine moulding, near-perfect intonation, and high technical skill of his singing; and in both the mastery is of the same unassuming, yet immensely sophisticated, stamp, in which musical and dramatic expression is made to emerge from the notes themselves. This is, as always, something of an illusion, and a supreme one. In Bach his particular effect was to concentrate the gravity of the vocal line to a quite un-religiose inwardness.

All the same, it would be unwise to claim that these *accounts of the two well-known solo cantatas* for low voice, nos. 82 and 56, represented irreproachable models of Bach style. Mr van Dam was too content to leave his line plain, in reprises of arias — notably the wonderful "Schlummert ein" of no. 82 — properly requiring delicate variants. And in recitative, as to a lesser extent in area, the flow of the music was compromised by the conductor Richard Stamp, whose elaborate manual choreography seldom bore convincing results in the way of rhythmic lightness or snap. In the two neo-classical Stravinsky works filling out the bill, the Concerto in D and *Apollo*, there had to be noted a variably troubling disparity between the evident good qualities of the orchestra and the sludgy textures and lifeless phrasing so often achieved.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 27-February 2

Exhibitions

WEST GERMANY

Munich, Haus der Kunst, 1 Prinzregentenstrasse: The museum is showing chiefly Heckel's early work. There are paintings, drawings and watercolours. Ends Feb 2

Frankfurt, Städel, 63, Schaumainkai: The centenary of Max Beckmann, the outstanding German expressionist, is marked by 180 works from 1915 to 1933. Ends Feb 2.

Hanover, Forum des Niedersächsischen Landesmuseums, 8-11 Am Markt: paintings and clothes from the period between classicism and art deco. Ends Feb 29.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: 125 oil paintings, objects, sculptures and drawings by Lucio Fontana, the Italian painter and sculptor (1899 to 1968), who found new means to depict space. Ends Feb 12.

LONDON

The Hayward Gallery: Raoul Dufy - a timely reminder that this hero of countless chocolate boxes and postcards, the acceptable face of modern art, was not only a significant painter but a Fauvist of peculiar character, a follower but no slave of Matisse, who later developed into a decorative artist of the first importance. His elegantly perfunctory notation, and his characteristic imagery — white sails in the bay, palm trees below the balcony, bright silks against the apple green of the racecourse, have been taken up and broadcast endlessly by lesser talents. His fabric designs and tapestries are especially remarkable in a beautiful and necessary exhibition. Ends Feb 5.

The Hayward Gallery: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

BRUSSELS

Musée d'Art et Histoire: Reconstruction of the chamber of the Bulls of the Lascaux Grottos, closed to the public through fear of damage and pollution affecting the drawings. Until April.

Palais des Beaux Arts: Paintings by Karel Appel and Roger Mallens. Until March 4.

Société Générale de Banque: Sundials, astrolabes, watches, clocks and marine instruments. Ends April 7.

Goethe Institute: Eleven Berlin sculptors. Ends Feb 18.

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its golden age and was the last repository of Western art and learning to fall to the Vikings.

PARIS

Raphael; *Three exhibitions pay homage to the great Renaissance painter* – born 500 years ago. The Grand Palais assembles, for the first time, most of the paintings and drawings from French museums, among them Le Petit Saint Georges, La Belle Jardinière and Balthazar Castiglione's portrait. Another exhibition shows Raphael's influence on French art from the 16th century to the present. Grand Palais (2615410). Closed Tue, Wed late closing. Ends Feb 13. The Louvre completes the anniversary celebrations with an exhibition of the most brilliant of Raphael's collaborators, among them Giulio Romano, and of his disciples. Louvre, Cabinet Des Dessins (2603926). Closed Tue. Ends end of Feb.

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Willem de Kooning (Whitney): This major retrospective with 250 works covering the artist's entire career is divided into drawing and painting and sculpture sections. Half the exhibits are drawings and there are 25 sculptures. Ends Feb 19.

Kandinsky (Guggenheim): More than 300 works limited to the early Russian and middle Bauhaus periods from 1915 to 1933 is the second in the museum's comprehensive reconstruction of Kandinsky's peripatetic and prolific career. *Also included in* the show are the works of contemporaries including constructivists like Malevich and Lissitzky as well as German and Bauhaus artists like Moholy-Nagy Miles van der Rohe and Paul Klee. Ends Feb 12.

WASHINGTON

Hirshhorn: 136 works by 62 European and American *20th century artists* illustrate the contemporary theme of Dreams and Nightmares for Society. Timed to usher in Orwell's dreaded 1984, the exhibit runs the gamut of artists from Russian constructivists with their misguided dreams to a large sampling of American and German artists affected by the century's wars. Ends Feb 12.

Leonardo's Last Supper (National Gallery): *Although the refectory of* the Church of Santa Maria della Grazie has not been brought from Milan, this clever exhibit does the next best thing in combining preparatory studies drawn from the Queen's collection in Windsor Castle with photos and a film of the restoration and works done after the Last Supper, including a series by Rembrandt. Ends March 4

Saleroom

Antony Thorncroft

One indication of an improvement in the western world's economic situation is the better demand for jewels. Sales in London and New York did well in the autumn and Sotheby's is optimistic about prices at its annual auction in St Moritz on February 23-25, timed to catch the rich at play.

Coloured diamonds are recovering from their dramatic price falls of a few years ago, but the highest price, around SwFr 700,000, should be for a heart-shaped D-colour flawless diamond ring of 18.22 carats. Among other stones, sapphires should do well.

Sotheby's moves to Monaco on March 4 for a series of sales. The importance of a scholarly attribution is obvious in the decision to designate three paintings, previously known as Ferrarese School, as the work of the 15th century artist Antonio da Crevalcore. There are only two known paintings by this Bologna artist extant, and the attribution by Sotheby's expert Philip Pouncey has increased their value to more than FFr 2m.

Another Italian painting of the same period, *"The death of St Catherine,"* by the Sienese artist Giovanni di Paolo, is expected to make FFr 800,000.

There will be great interest in an ingenious mechanically expanding circular dining table by Johnstone Jupe, made around 1836, which comes under the hammer at Sotheby's Victorian furniture sale on February 17. Two similar examples by the same maker have recently sold for £35,200 in London and £48,400 in New York.

Valentines' Day (February 14) is not going unnoticed at Sotheby's. A group of Staffordshire and Bilston enamel boxes, some carrying *sentimental messages*, is on offer. But the star of the sale is a Minton Majolica peacock five feet high. It was made in 1875 by the Frenchman Paul Comolera and carries an estimate of up to £10,000.

Christie's is to sell the remaining contents of Belton House in Derbyshire, the former home of Lord Brownlow, in London on April 30 and May 2. They should total at least £1m.

In a deal finalised on January 10, Britain's National Trust, helped by a substantial grant from the National Heritage Memorial Fund, acquired Belton, and two-thirds of its contents. The tapestries in the house and the paintings by Hondecoeter, valued by Christie's at about £1m, will be surrendered to the nation in lieu of capital transfer tax for permanent display at Belton.

Christie's is disposing of the remaining contents, which came to Belton in the 1920s when the family's other two houses were sold. They include pictures by Van Dyck and Bruegel as well as good furniture and silver.

SPACE INDUSTRY

U.S. industry in a battle of rockets

By Peter Marsh

"UNDER CERTAIN conditions, the manufacture of [rockets] might be profitable. Such conditions might develop in a few decades."

So wrote Herr Hermann Oberth, a pioneering German space engineer, in a book published in 1923.

Today, a small group of technologists and business people in the U.S. are trying to prove the truth of Herr Oberth's forecast.

These people want to challenge the near monopoly in the rocket business of governments. The launch pioneers were encouraged in this last week by President Reagan who in his "State of the Union" speech urged more private investment in space activities.

By the end of the 1980s, up to half a dozen private companies may vie with each other by operating "launch taxis" that take into orbit satellites for jobs such as communications, at a cost of about $25m a satellite.

Since the Soviet Union blasted the first Sputnik into space in 1957, mankind has orbited 3,000 or so satellites.

Nearly all have been put into the heavens by launchers owned by government agencies. In the U.S. the state organisation is the National Aeronautics and Space Administration.

Companies anxious to sell space launches to customers range from giants such as General Dynamics to small fry whose designs for new rockets are still on the drawing board.

The most unusual of the newcomers is Truax Engineering, of Saratoga, California. The company has spent $600,000 on a rocket called Excalibur. This should take a 40-tonne object into a low orbit a couple of hundred kilometres above the earth.

Mr Fell Peters, a 25-year-old artist who is one of the company's founders, says he intends to demonstrate Excalibur's prowess in an unusual way.

Some time after 1985, he plans to journey into space himself aboard the rocket, so becoming the world's first "private enterprise" astronaut.

The more conventional approach to rockets is typified by Transpace Carriers of Washington DC.

In 1985, the company is to take over from Nasa the marketing of the Delta rocket, which the Government has operated since 1960.

Transpace Carriers was formed 18 months ago by Mr David Grimes, Nasa's project manager for the Delta programme.

The company will continue to buy the launchers from McDonnell Douglas, which makes them under contract to the Government. It will also have to rent from Nasa launch facilities on rocket ranges in Florida or California.

In a similar deal with Nasa, General Dynamics will sell from 1987 a rocket called the Atlas Centaur. General Dynamics already builds the devices at a plant in California, though responsibility for selling and launching the rockets rests with the Government.

A more visionary approach is that of Space Services, a group of Texan entrepreneurs. The company plans to put into space its Conestoga rocket not from Government launch pads but from a new rocket station in Hawaii.

Mr David Hannah, the company's chairman, is negotiating with the Hawaiian state government to buy land near the town of Waiahukini.

Two factors are behind the drive by U.S. commercial groups to enter the rocket business.

First, space planners predict no let-up in the rate at which countries and commercial organisations want to inject satellites above the earth, in particular into the geostationary orbit 36,000 kilometres high that is used by communications vehicles.

Arianespace, the Paris-based company that operates the West European Ariane rocket, predicts that between 1985 and 1991 more than 250 satellites will enter orbit. Some 85 per cent will take up positions in the geostationary ring.

Such forecasts indicate that companies may be able to make money from rocket launches.

Secondly, the U.S. Government has encouraged companies to become involved in the space business.

President Reagan's administration wants to transfer to private companies as much as possible of the space technologies that the U.S. Government has developed over the past couple of decades.

Government officials point to the example of communications satellites, on which state agencies did much of the early development work but which are now routinely operated privately.

For example, the U.S. Department of Commerce this month invited bids from industry to administer the Government's Landsat remote-sensing satellites. These scan the earth from several hundred kilometres to provide information about, for example, crop growth or mineral deposits.

The Government's plans are backed by officials at Nasa itself, which has supported technically some of the companies that want to sell rockets.

Mr James Beggs, the administrator (director) of Nasa, says that his organisation should concentrate on new ideas rather than operate proven technology.

Ultimately, says Mr Beggs, Nasa should even hand over to private agencies the operation of the space shuttle, the technically advanced though highly expensive launch vehicle that Nasa developed at a cost of $15bn.

Unlike all other launchers, which are destroyed in the process of taking their payloads into orbit, the shuttle is reusable.

A large proportion of the complete launch system can be recovered. This includes the orbiter itself and the winged "space plane" that carries satellites plus a crew of up to six.

At present, running the shuttle is a recipe for losing money. Each mission that a shuttle flies in 1984 will cost about $125m.

Of this, the Government will recoup at the most about $40m in fees from customers who pay for satellites to be ferried into orbit.

By 1989, according to Nasa's plans, a combination of price increases and reductions in cost should make the shuttle pay for itself or show a modest profit.

Nasa hopes to decrease costs by increasing the launch rate. From four flights last year, Nasa plans 10 in 1984, rising to 24 in 1988.

By next year, the state body will operate a total of four shuttles. Discovery and Atlantis will join Columbia and Challenger.

Dr Klaus Heiss, a champion of private enterprise in space, is best known for his efforts to buy for $1bn a fifth shuttle that would be privately owned.

The scheme fizzled out last year after Dr Heiss failed to prove that the fifth vehicle would find enough work in lifting satellites into orbit.

"It's terribly important that we adopt a more market oriented approach to space technologies," he says. "We should bring about the commercial uses of space with funds other than those provided by the taxpayer."

Dr Heiss's latest role is as chairman of Sparx, a joint venture in New York between Comsat of the U.S. and MBB, the West German aerospace company.

Sparx will sell to customers room on a small platform called Spas that MBB developed. The platform, which a space shuttle will take into orbit for trips of up to several months, will carry remote-sensing instruments or experiments in materials processing.

This endeavour illustrates the co-operation in space between Western Europe and the U.S. For example, the European Space Agency contributed the Spacelab orbiting laboratory that a shuttle took into orbit in November.

But in other ways America and Western Europe are deadly rivals in space techn logy.

Arianespace, which is backed by a consortium of European industries and government agencies, complains that the U.S. Government subsidies on operating the shuttle give Nasa an unfair advantage.

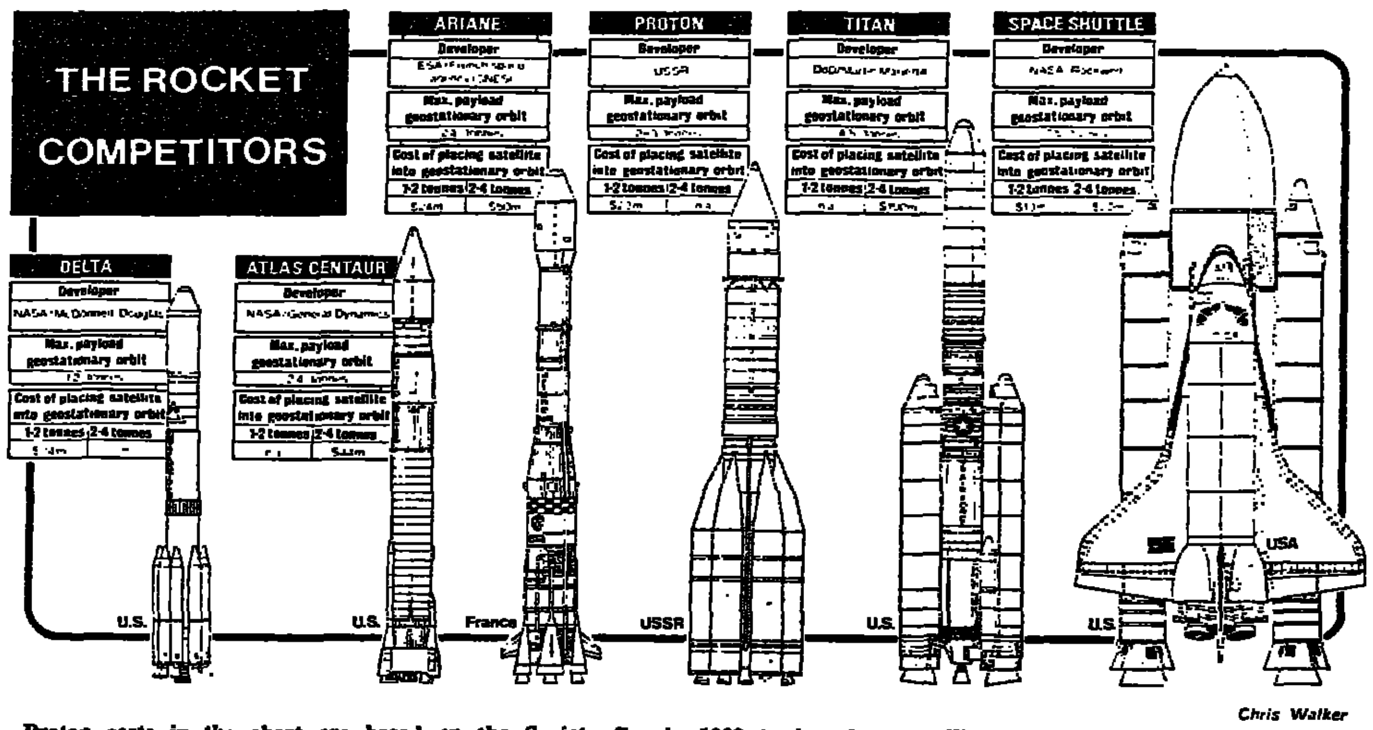
The Paris company charges about $25m for a launch into the geostationary orbit of a 1.2 tonne satellite. This is about $10m less than the cost of hiring a shuttle to do the same job.

The two figures should, however, come more into line after Nasa puts up its shuttle prices in October next year.

As more companies develop rockets, the business should become more competitive. Companies will order rockets on the basis of performance and marketing, not just on price.

Looked at in this way, everyone can see a reason why his launch vehicle is better than the others. For example, the shuttle carries several astronauts, who in theory can tend to technical faults, making launch failures less likely.

The increase in rocket companies can only be good for the space business, say most observers. "It's such a large market that there will be room for everyone," enthuses Mr Dennis Ahearn of Transpace Carriers. "We are seeing the beginnings of a new commercial era in space."



Chris Walker

Proton costs in the chart are based on the Soviet offer in 1983 to launch a satellite for Inmarsat; the shuttle costs will rise to $26m for 1.2 tonnes and $41m for 2.4 tonnes in October 1985.

APPOINTMENTS

Managing director for Glaxo Pharmaceuticals

Mr Bernard Taylor has been appointed managing director of GLAXO PHARMACEUTICALS. He was previously managing director of Glaxo Australia Pty and succeeds Dr J. C. Hamlet who has been appointed to the board of Glaxo Holdings.

★

Mr Bob Woodward, a director of F. Rendell & Sons and chairman of its subsidiary Renelec, has been appointed chairman of two further Rendell companies, namely CRENDON TIMBER ENGINEERING and DERNELL.

★

Mr John Dolby has been appointed to the board of V. A. T. WATKINS.

★

Mr John Carney has been appointed finance director of AARONITE GROUP. He was previously with Reading & Bates Construction Co. of Houston, Texas.

★

Mr Phil Smith, actuary, has also been appointed financial director of HAMBRO LIFE.

★

Mr J. P. Williams has been appointed a director of REED INTERNATIONAL. Mr Williams is president and chief executive of Reed Inc., the Reed International principal operating company in Canada, and chief executive of Reed International's North American paper group.

★

CHEMICAL BANK has appointed two managing directors at Chemical Bank International Limited (CBIL) in London. Mr John F. Astbury and Mr Alexander S. Gibson will become managing directors of CBIL on February 20. Mr Astbury and Mr Gibson will also become the senior officers in charge of Chemical's international investment banking activities which include operations in Hong Kong and Tokyo as well as London. Mr Gibson has been deputy managing director of CBIL since 1981 and has been directly involved in Chemical's merchant banking activities since 1977. Mr Astbury moves from Chemical's treasury division where he has been head of the London treasury operation since 1981.

★

Mr A. R. G. Raeburn is to become chairman of BOOSEY & HAWKES. He will succeed Sir Richard Young who, on reaching the age of 70, will resign from the board after the annual meeting in May. Mr Raeburn was for many years with Shell, latterly as chief executive in Japan of the Royal Dutch Shell Group and, most recently, has been vice-chairman of Rolls Royce.

★

Mr David Malanie has joined the board of CULLENS STORES. He has been company secretary since August 1983.

★

Mr Peter Pratt has left the board of ELLERMAN LINES to take up a full time directorship with NEW CAVENDISH STREET INVESTMENT COMPANY. Mr Pratt joined Ellerman Lines in 1960 as company secretary and joined the board in 1982.

★

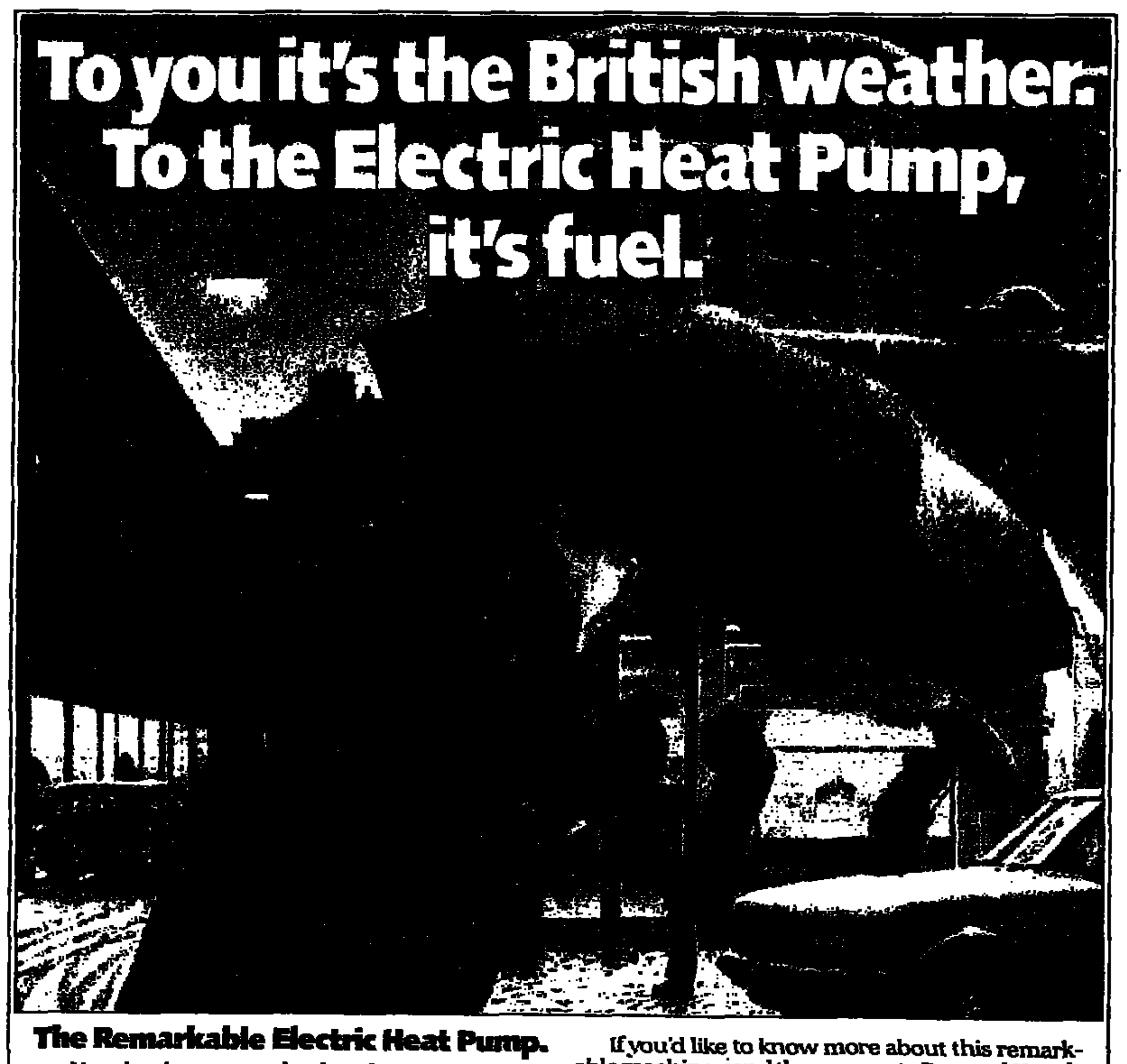
Mr Howard S. Perlin has been appointed a director of SEARS HOLDINGS. He has been a senior executive with the group since 1977.

★

Kalle Infotec as subsidiary of Hoechst UK, has appointed Mr Peter Troward as managing director and Mr John Southworth commercial director.

★

NATIONAL CARRIERS CONTRACT SERVICES has appointed Mr Mike Tarrant, sales director, as managing director. He takes over from Mr Paul Rivett, who was recently appointed managing director of Downards-Pickford Pty, the Australian removals and distribution subsidiary of the NFC based in Melbourne.



هكذا من الأصل

JOBS COLUMN

Going rate jumps for rare warm accountants

BY MICHAEL DIXON

WARMTH of personality is probably still a precondition of success in most jobs. But it is evidently becoming harder and harder to find among young people with the academic qualifications stipulated for entry to certain esteemed careers.

Take the medical and veterinary professions for instance. Lots of youngsters aspire to them. So university courses leading to the requisite degrees are heavily over-subscribed.

To keep the task of student-selection within bounds, the university departments have increasingly rejected out of hand candidates with only lower-grade passes in the Advanced-level school-leaving examinations at 18-plus. The chance to become a doctor or a vet is confined almost exclusively to candidates with high grades in three A-level subjects.

Now it is a well observed phenomenon that, as a group, the people who reach a higher level of academic attainment tend to be more introverted in personality than the group who get stuck at the next lower level. The reason might be that the study required to achieve the higher grade is less burdensome to introverts who prefer working alone with their textbooks and home computers to getting involved with irrational and emotionally demanding things like other people.

But whatever the explanation, there seems to be increasing suspicion among older doctors and vets that the restriction of entry to science specialists with top A-level grades is changing the character of the professions. A growing number of our family doctors are unable to communicate reassuringly with their patients, it is said, and more and more of our vets aren't interested in animals unless they are dead.

What I'm wondering is whether the same sort of thing is starchifying the accountancy profession.

The warmth of personality to establish good relations with a variety of clients and colleagues is a desirable quality in an accountant. There seemed to be a good many accountants with that quality around when I was an audit clerk in the later 1950s.

Most of my seniors were on friendly terms with client-organisations' staff especially when they could be persuaded to get together a team to play us at cricket or football, with the game finishing long, long before the pubs closed. Some of the relationship-building exercises I've seen accountants indulge in would raise blisters on your bowler, I can tell you.

Oddly enough, at that time people determined to qualify as accountants could do so even if they had left school with no appreciable exam success at all. Today entry is virtually restricted to people with university-entrance qualifications. And what do we find?

Consider the case of job-openings for accountants also equipped by experience to work as globe-trotting management consultants advising corporations on how to make the best use of cash resources and of new information-processing techniques.

Just before Christmas the advertised going rates for recruits to such jobs were up to about £20,000. Yet recruiter John Williams, of Russell Williams and Associates, has just arrived on the market with offers of up to £25,000 for an unspecified number of same. (Since he may not name the client he — like the other recruiters coming up later — promises that applicants who so request will not be identified to the employer without specific permission.)

Although based in London the newcomers will spend three to four months' worth of each year abroad, mainly in Europe. So language skills would be useful. But the essentials are an accountancy or closely related qualification and success in comparable work at corporate level in banking or industry. The perks, by the way, include a car.

Why the 25 per cent zoom in the going rate over the short space of two months?

"It's really because for these kinds of jobs it is no use taking on people just expert in the accountancy know-how," Mr Williams said. "They've also got to have the personality to promote good personal relations with clients. And that's a rare combination."

Warmth of personality is clearly also essential in the other, more exotic job on offer through Russell Williams with an international venture based in Oman. The post is for a manager to develop a worldwide business in what the headhunter calls "prestige perfumery and fragrance products (male and female)" for sale at the top end of the market.

The promoter of the piquant pong of plutocracy will need the public-relations skills to charm the appropriate media as well as to sign up exclusive purveyors. Previous commercial success in the Arab Gulf is wanted too, as is experience in market-development and sales of luxury products.

Another necessity is at least operational ability in Arabic together with polished English. French would be an additional help.

The salary indicator is upwards of U.S.$50,000 tax-free. The other benefits are of usual expatriate kind including accommodation, car and medical insurance.

Inquiries to John Williams at 45 St Mary's Road, London W5 5RQ. Telephone 01-579 1082.

New York

NOW FOR a brace of jobs in New York for impressively experienced heads of treasury and foreign exchange with two different international banks, which are on offer through Dudley Edmunds of the Roger Parker Organisation (4 London Wall Buildings, Blomfield Street, London EC2M 5NT; tel. 01-588 8161).

The essentials are management-level success in same work with top-league international banks, thorough familiarity with the New York market, and genuine wish to live in the United States.

No salaries quoted, but I'd estimate U.S.$120,000 plus.

Europe

ANOTHER couple are on offer in Europe through Jo Jacobsthal of EMS (5 Avenue Beaumont, Fribourg, Switzerland; tel 037 24 32 80, telex 36152). Both require fluency in at least one other European language, preferably German, as well as English.

The first post, in "a major Benelux city," is for a production manager with wide technical knowledge including electronics, and imaginative approach. The employer is an international consumer-durables group. Salary about U.S.$60,000.

The second is in the Netherlands with a manufacturer of computerised products mainly connected with processing of product-bar coding. It wants an international product manager of technical bent to be responsible for sales support and service operations worldwide. Data-processing experience in retailing is desired. Salary around U.S.$35,000.

Back home

LASTLY to Geoffrey King of Cambridge Recruitment Consultants (1a Rose Crescent, Cambridge CB2 3LL; Tel. 0223 311316) who seeks a demonstrable ace in market-development of advanced electronics devices and systems to be marketing director designate of a similarly high-tech company based "some 60 miles from London."

Candidates must have business acumen and have successfully managed marketing strategy for comparable products on an international plane. The need is to ensure up-to-minute information on market trends and to influence design and manufacture accordingly, so technical understanding is wanted.

Salary about £30,000, plus stock options.

Corporate Finance Marketing

Negotiable Package indicator: £12–17,000

A major international bank is expanding rapidly in London and Europe and wishes to appoint a young executive to assist the marketing efforts in this regard. The bank is highly profitable and provides broad based investment services to an impressive range of international institutions, corporate clients and sovereign borrowers.

The successful applicant will play a vital role in the support and extension of the bank's marketing activities with a special emphasis on the Eurobond market. Aged 23–28, candidates should have around two years experience in one of the following areas: capital markets; Eurobond dealing; or international investment management.

It is essential that applicants possess sufficient interpersonal skills and presence to deal with senior personnel at sovereign borrowers, corporate clients and major finance houses in the City.

Please telephone **Nicholas Waterworth** on **01-242 0695** or write to him at Banking and Finance, Michael Page Partnership, Sicilian House, Sicilian Avenue, London WC1A 2QH quoting reference 3353.

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Please write giving a brief summary of your background and experience to Mike Hann.

Any approach will be treated in the very strictest confidence.

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£14,000

Further your analytical career as assistant to the Economist of this Merchant Bank. You should have at least 3 years' experience as a Credit or Financial Analyst with another bank or broker and be a University Graduate. Your main duties will include Credit Analysis, Country Risk and Loan Rescheduling. Age 25/28.

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Mike Blundell Jones on 01-439 4381
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Recruitment Consultants

Managing Director

Trust Company Start-up

Isle of Man

Substantial Compensation

An unusual challenge in its field. An old, well-established Scandinavian bank has made a commitment to setting up a trust company based on the Isle of Man. This is probably the first time that a member of the Scandinavian banking community has taken such a decision. The prime objective of this move is to continue the development of the bank's services to their substantial international client base.

The initial task is to establish thoroughly professional trust and company administration and accounting procedures. Beyond this, the role demands total executive responsibility for the day to day decision taking on the management of the portfolio of trusts and companies, as well as accountability for their efficient administration. Some new client development activity may also be required.

Applications are invited from experienced, successful trust managers, likely to be aged over 35. They will have a formal qualification, preferably accountancy or law, and a track record demonstrating analytical and investigative ability backed by sound business judgemental skills and complete integrity. A professional, business-like and well-organised approach is essential to meet the high standards of service demanded by the bank. It is unlikely that those earning less than £20,000 would be considered appropriate.

Please reply in confidence giving concise career and personal details and quoting Ref. ER671/FT to I.D. Tomisson, Executive Selection.

Arthur Young McClelland Moores & Co.,
Management Consultants,
Rolls House, 7 Rolls Buildings,
Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
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REED PUBLISHING LTD.

Personnel Director

Sutton, Surrey c£30,000 + Car

Reed Publishing Limited is one of the principal operating Groups within Reed International PLC. They employ some 10,000 people in business magazine, regional newspaper and book publishing and printing. The Group operates through largely autonomous subsidiaries, principally in the United Kingdom and the United States of America.

Reporting to the Chief Executive, the successful candidate will work in a decentralised environment with minimal personnel staff. He/she will be responsible for all aspects of personnel policy in an active and forward thinking environment.

Day-to-day personnel work is largely carried out at operating company level and the Personnel Director's role is therefore one of policy, innovation, planning and trouble shooting. Key responsibility areas include top management planning and development, the administration of the HAY System at a senior level, executive recruitment and employment strategy.

Candidates are likely to be in the 40/55 age range and should combine high intellect with personnel skills and experience in other fields, such as consultancy and line and general management. An above average large company benefits package goes with the job.

Please write in the first instance to the Company's adviser in this matter, Colin Barry at Overton Shirley and Barry (Management Consultants), Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone 01-248 0355.

Overton Shirley and Barry OSB

TREASURER

WATFORD

A Belgian group whose activities are primarily in the chemical field requires a treasurer for its holding company in Great Britain. The appointment will be based in Watford and will report to the U.K. Finance Director.

The Treasurer will assist the Finance Director in setting up a system to control borrowings and investment of surplus cash, foreign currency management, leasing arrangements and banking and financing arrangements for the British companies as a whole.

Applicants should preferably be young graduates with appropriate experience in finance, treasury or corporate planning functions of a large multinational group, have some talent in languages and be prepared to travel. They should see their career development in terms of the group as a whole. The remuneration package includes a salary commensurate with age and experience, plus car and running costs, BUPA, contributory pension scheme, removal and relocation allowance and five weeks annual holidays.

Applicants should write in confidence giving full details of previous experience and current salary, and quoting reference 1954, to John Hills at:

Annan Impey Morrish
Management Consultants,
40/43 Chancery Lane,
London WC2A 1JJ.

A.I.M.

MANAGING DIRECTOR

Heron Motor Group Limited

The Heron Motor Group is a substantial subsidiary of the Heron Corporation employing over 600 people and with an annual turnover in excess of £90 million. It has extensive interests in the U.K. embracing the retail automobile market, automobile fleet and leasing activities, fuel oil distribution and agricultural machinery distribution.

A Managing Director is required to develop the trading activities of Heron Motor Group assuming corporate responsibility for achieving the revenue and profitability targets as agreed with the Corporation.

Applicants must be able to demonstrate an outstanding history of personal achievement at a commensurate level of responsibility and be capable of making a major contribution to the results and growth of the Group.

It is unlikely that anyone currently earning less than £30,000 p.a. would possess the necessary qualities or experience.

The position will be based in London or south-east England with full re-location package available if necessary.

A substantial remuneration and fringe benefit package will be provided and, with the continued expansion of the Corporation's interests, future career development is well catered for.

Applicants, male or female, aged 35-45, should in the first instance apply in writing, enclosing a brief but meaningful c.v., to Brian Hodges acting as advisor to the company.

Brian Hodges Associates
13 Church Street, Epsom, Surrey, England

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As a result of our U.K. and International expansion, several vacancies exist in our Institutional Equity Sales Department. Applicants must have had some previous experience on an Institutional Sales Desk. The position involves regular travel abroad and there is the opportunity to work in one of our overseas offices.

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Nottingham: 0602 584561, Gothic House, Barker Gate, NG1 1JU.
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Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.

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International oil and gas company requires experienced consultant, based in London, to be responsible for specialised industry reports, publications and multi-client studies.

Applicants, with extensive business experience gained from within the oil industry, will have demonstrated abilities to gather, interpret and communicate data on current trends and future developments. Proven writing and editing skills are essential.

Candidates should submit a fully-detailed curriculum vitae to:
Box A8465, Financial Times
10 Cannon Street, London EC4P 4BY

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around £20,000+car

CITY

A leading international firm of chartered accountants in the UK is looking to appoint a Senior Manager in manpower planning and personnel administration.

The job will include the development of integrated systems to provide management information on manpower and succession planning and management development, as well as statistics for remuneration policy planning.

We have been retained to find a man or woman to be responsible for integrating the personnel function into the development of a new office automation and computerisation system. The job will also include management of the existing manual personnel administration system and budgeting.

They are looking for a numerate graduate, probably about 30-40, who has sound administrative experience, and a proven record in manpower and succession planning as well as exposure to word-processing and computer technology.

Please reply with brief details to Christopher West quoting ref.1264C.
COURTENAY PERSONNEL LIMITED
11 Maddox Street, London W1R 9LE. Tel: 01-491 4014.

ACCOUNTANCY

CORPORATE FINANCE
(ACA - 1st time passes)
£11,750 + mtge — City

Finance & Investment company now wishes to appoint a graduate ACA to its Corporate Finance Department. The appointee should possess a science-based degree and be prepared to learn 'non financial' skills as well as financial ones. This role is seen as providing an ideal base to future career progression within the City.
An **MBA** aged 26-28, is also required by this company for the post of Financial Analyst working specifically on corporate planning. Salary negotiable a.a.e.

MANAGEMENT ACCOUNTANT
(ACMA/ACCA)
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This successful UK company, part of a large US owned multi-national now wishes to appoint an ambitious management accountant. The position embraces responsibility for a small team who will be engaged in financial planning, budgetary control, intercompany pricing and cash management, including investment of surplus funds and foreign exchange. Previous experience within a multi-product environment is desirable.

ASSISTANT TO FINANCE DIRECTOR
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to £12,500 — London W1

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Please contact Peter Haynes, David Wilkinson, Zandra Gardner.

COMMODITIES

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ALUMINIUM TRADER — £15/20,000
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COCOA TRADER — c£20,000
To strengthen the company's physical dealing activity. Ref: MGH 7197

LIFFE DEALER — £12/18,000
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CHEMICAL TRADER — £15/20,000
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EXPORT MARKET DEVELOPMENT — £ NEG
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STEEL TRADER — £12/15,000
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CREDIT ASSISTANT — circa £10,000
Experience to prepare corporate analysis reports for international group. Ref: MGH 2318

BANKING

LOAN/EUROBOND ADMINISTRATION — c£10,000
Aged in their early/mid 20's with experience in both areas. Positive personality, smart appearance, willing to work with pressure. Very good prospects. Ref: RJM 4572

CREDIT ANALYST — c£10,000
Must be US Bank trained. Mid 20's with a smart appearance, able and willing to work hard in a very busy environment. Ref: RJM 3724

SENIOR ACCOUNTS — c£10,000
A new post within a European Bank. Balance sheet, profit and loss, trial balance, Bank of England returns experience are all required. Very good opportunities. Ref: RJM 7245

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CONSULTANT — NEW VENTURES — c£17,000
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CORPORATE FINANCE
Opportunities exist for recently qualified A.C.A.'s with some of the City's leading Merchant Banks. Ref: PSL 1112

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Challenging opportunity requiring a very experienced spot currency trader with obvious leadership qualities. Ref: DJL 5091

SENIOR SPOT DEALER — £20,000
A new position in a very active dealing room. Ref: DJL 5094

SENIOR DEPOSITS TRADER — £25,000
As part of their expansion in 1984 this large Middle East bank is seeking a senior dealer, possibly a No. 2, for their London branch. Ref: DJL 5097

INVESTMENT FUND MANAGER — £27,000
Leading International Merchant Bank is seeking an experienced Fund Manager to take over their private and institutional clients, and develop this area. Ref: DJL 5082

FOREIGN EXCHANGE ACCOUNTING — c£15,000
A major American bank seeks an accountant or accounting expert with previous experience of foreign exchange accounting procedures. Ref: DJL 5066

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Please telephone or send detailed CV to Brian Gooch/Jill Backhouse in confidence

INTERNATIONAL

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Please contact Laila Rafique, Robert Watsham, Roy Webb.

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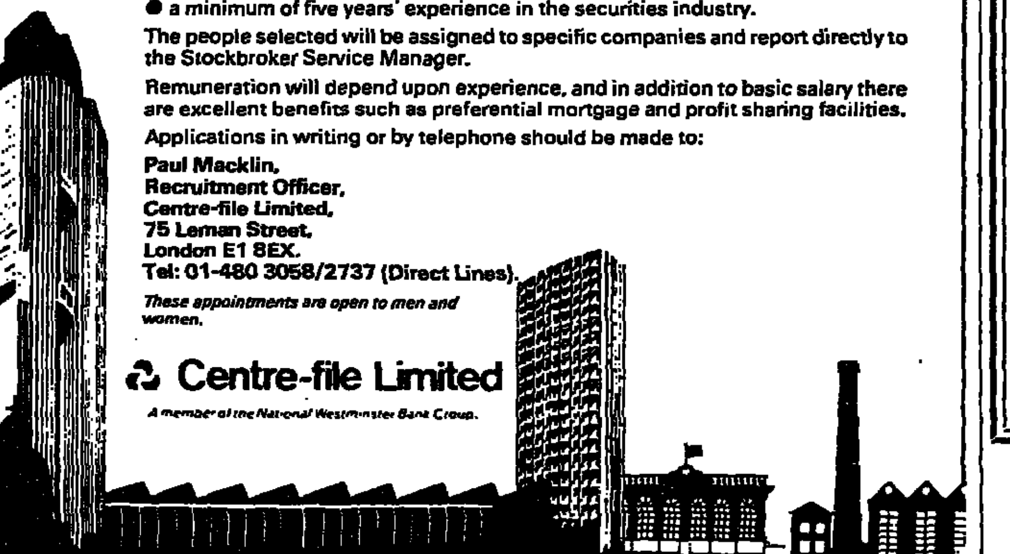
These appointments are open to men and women.



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Or write to JOHN BIRD, GENERAL SALES MANAGER, Cannon Assurance Limited, 1 Olympic Way, Wembley, Middlesex, HA9 0NB.

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We are a well capitalised and highly profitable company on the periphery of the Euromarkets, without an established 'Euro' name which has the desire to build a trading operation.

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Please reply to Box A8471, Financial Times
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Esso

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Esso is looking for a senior tax specialist to be located in Central London. The work will involve every aspect of UK taxation including advice to affiliated overseas companies. The group has very substantial North Sea interests and opportunity will exist to work on PRT and other upstream tax issues.

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Write in complete confidence to: Head of Recruitment (Ref: ER/4676), Esso Petroleum Co. Ltd., Esso House, Victoria Street, London SW1.

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Manufacturing
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Thursday February 2 1984

Why Nissan is welcome

THE British Government's decision to back Nissan's new car plant in the UK has to be assessed against the general proposition that the investment process works best in the absence of Government intervention. Offering companies a financial incentive to build a plant in one place rather than another leads to the misallocation of resources and, sometimes, to damaging countermeasures by other governments.

That said, yesterday's announcement is to be welcomed. There has been concern that the UK would go to extreme lengths to persuade the Japanese manufacturer to build up a presence in the UK. In the event, the deal does not appear to require ridiculous concessions by either party.

The project will move forward in two distinct phases, giving Nissan a chance to test the water in the UK market. The selective assistance promised by the Government will be forthcoming only if Nissan decides to press ahead with full production. This Industry Act aid, if it is paid, will account for 10 per cent of the gross cost of the project. Although the proportion of funds provided by the taxpayer will be considerably increased by the various automatic incentives on offer, such as regional development grants, Nissan is not being offered anything that would not be equally available to BL or Ford.

Valuable expertise

For its part, Nissan has certainly not rushed into the project and by now is presumably convinced that it makes commercial sense. Even allowing for transport and the Common External Tariff, cars made in Japan are still likely to cost less to sell in the UK market than those manufactured locally. But like other Japanese manufacturers, Nissan has recognised that over the long term it will face increasingly formidable political barriers to its freedom of action unless it participates fully in those markets where it has a large presence.

If the plant moves into volume production, it could generate around 6,000 jobs, allowing for losses among competitors and extra work for suppliers. But the Government's main argument is that it will bring to the UK valuable managerial and technological expertise which will have a dynamic effect on competitors and suppliers—and one which will gradually ripple out into British industry as a whole. The view is that it is worth paying a good price to bring in one of the world's most efficient automotive producers.

This is hard to prove one way or another. Nissan's truck plant in Tennessee has indeed provided an incentive for a number of component suppliers to sharpen their production skill. And in the UK, there is a belief that the arrival of Japanese television manufacturers has reinvigorated what is left of the domestic industry.

Against this, Thorn might argue that it was the pressure of import competition not the pressure of Japanese-owned plants, which forced it to improve quality and upgrade its production methods. Similarly, it seems unlikely that Nissan UK will provide more of a challenge to BL than does Nissan Japan.

Some may argue that it is illogical to support a domestic competitor to BL. But the Government has rightly taken the view that by 1990, BL will either be a viable business—almost certainly with strong Japanese links of its own—or it will not be a business at all. It cannot be kept in an expensive cocoon for ever.

The long-term economic impact of the Nissan investment may be fairly marginal either way. It will depend on a host of uncertain factors, such as the extent to which it may crowd out alternative indigenous projects, its impact on the cost of labour and other resources, and the degree to which its output displaces imports as opposed to locally-made vehicles. But Nissan's decision is encouraging for reasons which are not to be measured only in economic terms. The greater the degree of integration between Japanese, European and American industry, the greater the opportunities for sharing resources and skills, and the less the scope for international trade conflicts. If the whole scheme goes ahead, the investment will be substantially larger than the total value of Japan's existing assets in the UK, and as such it will represent a very important step in terms of the relationship between the two countries.

A timely visit to Hungary

MRS THATCHER'S visit to Hungary, which begins this evening, needs to be seen in perspective. Budapest is not Moscow and the British Prime Minister is far from being the leader of the Atlantic Alliance. Thus in terms of east-west relations the results are unlikely to be dramatic. Yet there is a bit more to it than that.

No British Prime Minister has been to modern Hungary. Mr Callaghan was invited there and would have like to have gone, but did not: he has recently been giving the benefit of his advice to Mrs Thatcher. Clearly the Hungarians set a value on the visit, and that ought to matter to Britain.

There are no special bilateral problems between the two countries except that they belong to different, even opposing military alliances. Hungary is no more about to leave the Warsaw Pact than Britain is about to leave Nato. It is the mutual appreciation of that fact that could make for realistic discussions.

The timing of the visit, however fortuitous, is unusually good. East-west relations have deteriorated to the point where both sides seem to want an improvement, even if there are few clear ideas about how. Exploratory talks between the leaders of the second division of the two alliances are one way of starting, the more so as what is said will not go unnoticed in Moscow and Washington.

Change

If Mrs Thatcher does not yet wish to talk to the Russians directly, Hungary is the best place in which to begin the preparations. All the other east European countries are ruled out in one way or another. Poland still has its internal problems. Czechoslovakia is still a touch Stalinist and Romania still maverick. East Germany is better left to the diplomacy of intra-German relations and Bulgaria, although developing in many ways, is still small fry. So Hungary it has to be.

Since the uprising in 1956, the country has changed in a manner not foreseen at the time. Mr Kadar has been in office for more than a quarter of a century and it is said that he might even be popularly elected. He was put there by Mr Andropov, then the Soviet Ambassador in Budapest and now the Soviet President.

The key to the Hungarian recovery was that it was allowed a certain amount of economic freedom within the rules of the Eastern bloc. The *quid pro quo* to Moscow was that, unlike Romania, it would keep quiet on foreign policy.

It would be foolish to exaggerate the extent to which the Hungarian economic experiment has worked, except to say that the country has fared rather better than most of its fellow members of Comecon. It is now a member of the IMF, thanks partly to the advocacy of the Bank of England. Its partial economic liberalisation has been admired by official visitors from China and may now be imitated in parts of the Soviet Union. There is a long way to go, but at least the country is on the right track.

Realism

Recently, Hungary seems to have become more active in foreign policy as well. One reason might be Mr Andropov's rise to power in Moscow — a friend at court, as it were. Another might be the dismal performance of most of the other east European States. If any country within the bloc is to have a positive influence on the Soviet Union, it must be Hungary.

The essence of it all is realism. It is not that the military blocs could, or should, be dismantled. But how far, within the blocs, can there be some movement back towards detente, and how far can the smaller States within an alliance play a part in reducing superpower confrontation? The Hungarian leadership, having survived under the shadow of a superpower, might well have some answers to those questions.

Mrs Thatcher faces these more subtle matters of east-west relations as a relative newcomer. Her previous instincts have been to see east and west as a choice between good and evil — almost a moral crusade. Her best function in Budapest will be to listen and learn. The Hungarians do not enjoy their present situation, but they are trying to find their way out of it in a manner that will benefit not only themselves.

BRITAIN'S MOTOR INDUSTRY

The impact of the Nissan deal

By Kenneth Gooding, Motor Industry Correspondent

THE investment plan for Britain unveiled yesterday by Nissan is a far cry from the major scheme which the Japanese car company first put forward three years ago.

After many months of internal argument, the company has decided to set up a pilot plant in the UK, which from 1986 will assemble 24,000 Japanese-made car kits a year. It might then move on to a second phase—producing 100,000 cars a year by 1991, with an 80 per cent European content.

Compare that with Nissan's original idea for a plant to produce 200,000 cars a year by 1984, creating up to 30,000 jobs in the process.

The much smaller scale of the project announced yesterday and its longer timeframe mean that both the hopes and fears originally raised by the prospect of Nissan's arrival have been much diminished.

The fears were among other UK motor manufacturers, who saw the Japanese company posing a severe threat to their positions in a highly competitive market.

The hopes came from the British Government, which believed that a substantial Nissan presence could have a dynamic effect on the ailing UK industry. Ministers believed that the project as originally conceived would introduce the latest Japanese car production technology, then acknowledged to be the best in the world, and management methods. Know-how would be injected into the motor components sector, making it better equipped to compete internationally.

The Nissan plant was to have exported half its output, while pushing back imports. Mr Norman Tebbit, then Industry Minister, voiced the Government view by saying: "Surely it is better for the British to buy Japanese cars made by British workers than German cars assembled by Turks."

On the wider front, the Nissan project was presented by the Government as a symbol of foreign investor confidence in Britain's economy and political stability, sentiments put forward again yesterday when the formal announcement of the revised scheme was made.

But that apart, virtually all the factors surrounding the investment now have to be seen in a very different light:

● Jobs. The original Nissan plan estimated that up to 5,000 workers might be directly employed by the company, with a further 25,000 jobs being created in the supply industry.

The Government yesterday played down the job creation prospects, suggesting that perhaps 6,000 new jobs will spring from the revised scheme if Nissan moves into the second phase and produces 100,000 cars a year.

However, this is a very speculative figure.

● Rival car manufacturers will be relieved at the limited scale of Nissan's investment and its timing — particularly BL. Three years ago the future of BL's volume car business, Austin Rover, was far from bright, in spite of the successful launch of the Metro.

Its position has improved markedly but it will still benefit from the delay: it will now have a full range of new cars on the market long before Nissan starts full production in 1991.

Austin Rover's fruitful association with Honda should be strengthened because the Japanese group will want to be in the position to keep up with Nissan's progress in Europe.

● Components suppliers. Those companies which are to survive in Britain must do so without Nissan's help until 1991. The pressure on the component companies to improve their performance is, in any case, coming from Ford and Austin Rover. Both companies have for some time been offering fewer but larger contracts and selecting those suppliers who can meet very tight quality and financial targets.

The UK-based components producers should also be reasonably satisfied with the terms agreed for the second phase, when Nissan expects to add pressing, transaxle and rear axle assembly and engine assembly and sub-assembly, to its British operations.

Nissan has undertaken to lift the local (that is European) content of its cars from 60 per cent to 80 per cent within 18 months of start-up in 1991.

Even though this will be measured by ex-factory value and allow Nissan to include all the factory costs—such as labour, heating, lighting, advertising—the major UK component companies are satisfied that at the 80 per cent level there will be work for them and jobs will be created.

There has also been a promise that Nissan will provide proving and testing facilities for components in Britain to put potential UK suppliers on an equal footing with their Japanese competitors. So both the important reservations about the project held by the component suppliers seem to have been cleared away.

Moreover, Nissan's longer-term plans may be more ambitious than it is currently indicating. It still wants an 800-acre site, twice the size of Austin Rover's Longbridge.

The initial phase of the revised project, which will involve body assembly, painting and final assembly facilities, will cost Nissan at least £39m, even if it receives the maximum special development area grant. An output of 24,000 cars a year could not be profitable with this scale of investment.

To make any worthwhile gains in the UK car market, where it currently sells about 100,000 vehicles a year for a 6 per cent share, Nissan has to move on to phase two.

This is because the 24,000 cars to be produced under phase one will count as Japanese imports—and there is an unofficial ceiling on those of 11 per cent of the UK market. However, it has been agreed that cars produced under phase two will all count as British-made.

The Government, meanwhile, will be hoping that in the period up to 1991 other UK-based car companies will be able to recover some ground against imports—which topped 1m for the first time last year and now account for over 56 per cent of the market.

If all went well, by the mid-1990s a Nissan plant might also be having a significant impact on the import figures. But first the company will have to take decisions to go ahead with phase two of the project—and that still might prove difficult.

"WHEN I went to Europe in 1983, the British Secretary of Trade and Industry expressed a wish to see me. I asked him bluntly, "you are very eagerly inviting Nissan to advance into Britain. This is very strange to me. What is your reason?"

He answered in the following way: "Nissan has acquired very new production technology. Nissan is capable of developing highly innovative models. Nissan has high productivity. It has good labour/management relations. Everything is an object of envy for us. We want you to set up your operation in Britain to demonstrate not only to our automakers but also to other industries these aspects of Japanese industrial management."

When I heard this, I thought in my mind: "Of all things, they just want us to be a tutor at their home. If we are to be that . . . they should pay us return air fare, our expenses during our stay in Britain and a very big salary." They are expecting too much in asking us to tutor them at our own expense."

Katsuji Kawamata, chairman, Nissan motor company

Quoted in the Oriental Economist, January 1984 issue

Trevor Humphries

Norman Tebbit, Secretary for Trade and Industry, and Takashi Ishihara, President of Nissan, at yesterday's signing

WORLD MARKETS: HOW THE COMPANY IS MOUNTING ITS ASSAULT

FLATTERED though Britain may be as the recipient of the largest Japanese commitment to manufacture in Europe to date, it cannot be said that Nissan has effected the decision with customary Japanese good grace.

Indeed, there has been so much airing of the company's dirty laundry in the three years since the investment was first proposed and so much public debate alien to the national preference for quiet consensus building, that a lot of questions still surround what the second largest Japanese car company is really up to.

These centre on the extent of the commitment to Britain and whether it might come to take a distinct second place to the now likely establishment of a car plant in the U.S.; on its determination to reach its self-appointed "global ten" goal (that is, 10 per cent of world car sales); and on whether or not Nissan is prepared to cock a snook at national local content regulations because it senses that the international hunger for Japanese capital investment is too powerful a lure.

Although absolute answers cannot be given, all available evidence suggests that Nissan has not abandoned its fundamental external strategy and is not about to become more selective about where it invests.

It genuinely does appear that most, if not all, the corporate contortions and doubts — of which the quotation above from Chairman Kawamata is just one dramatic recent example — can be laid at the door of the extraordinary triangular conflict between three powerful personalities who have dominated the company for far longer than the British project has been under consideration. They are Mr Takashi Ishihara, the president and chief executive since 1977, Mr Katsuji Kawamata, his predecessor, and Mr Ichiro Shioji, the Nissan union leader who probably wields more influence than any other labour chief in Japan.

The final solution on the British project is best seen as one in which each can claim some satisfaction: for Mr Ishihara in that the investment, his idea, is going ahead; for Mr Kawamata and Mr Shioji, both long time sceptics, that its more modest, drawn-out scale contains built-in safeguards; and for Mr Shioji, in particular, that the commitment to build cars in the U.S. has been advanced to the front burner. It is noteworthy that Mr Shioji's final accession on Britain came very shortly after Mr Ishihara had committed himself publicly to manufacturing in the U.S.

But behind the formidable personal conflicts always lay the fact that Nissan is really far too far down its global road to shift gears into reverse. Rather like Ford of the U.S. in comparison with General Motors, Nissan has traditionally been the most internationally minded of the Japanese car companies, though it last beat Toyota in export volume in 1975. This has been accentuated both by the advent of Mr Ishihara, more of a gambler and visionary than Mr Kawamata, and by the twin constraints of more modest domestic growth, which has seen Toyota steadily widen its Japanese sales lead (last year it held 40.2 per cent of the domestic market for cars over 550 cc against 27.7 per cent for Nissan) and by growing international resistance to untrammelled direct exports from Japan.

Thus, over the last year alone, Nissan has put four foreign production plants into operation—the pick-up truck facility in Smyrna, Tennessee, commercial vehicle lines in Spain, where it has bought a majority of Motor Iberica, a joint car project in Italy with Alfa Romeo, and in Mexico a second car plant. The Tennessee factory is on a site containing ample room for expansion.

Although this has entailed a seven-fold increase in Nissan's external investment in four years, and although the company will probably suffer a 20 per cent drop in pre-tax recurring profits (to about Y125bn [£378.8m]) in the fiscal year ending next month, this has not left Nissan particularly strapped for cash.

With virtually all its Japanese competitors either already in or about to engage in American production, it is hard to imagine Nissan sitting on the fence for as long as it did over Britain; after all, Mr Kawamata insists that a Nissan car plant in the U.S. could be operating in the black in as little as five years.

But if indeed Nissan has stayed on course, it has done so in a remarkable manner that stands in sharp contrast to that espoused by its arch-rival, Toyota, which still presents a stolid, managerial front to the world. Toyota also likes to take its time, as witnessed by its abortive flirtation with Ford, its long courtship with General Motors, and its protracted deliberation over its Taiwan investment. But in its own unflustered way, it may now have positioned itself for a global assault as effective as Nissan's except, of course, that it is putting far fewer eggs in the Eurobasket.

Jurek Martin in Tokyo

Men & Matters

Top trade

The way to get ahead in the City of London at present is to offer yourself as a capable head of corporate finance to a stock-broking firm.

A chronic shortage of that rare breed has developed in the broking world. It is yet another symptom of the increasing competition for staff as outside professional firms move into the Square Mile.

Directorship Appointments Ltd (DAL), a head-hunting firm which specialises in the financial sector among other career areas, claims in an advertisement in the FT today that four leading stockbroking firms are seeking candidates to fill senior posts as head of corporate finance.

I talked to Somerset Gibbs yesterday. Now the executive chairman of DAL—and the man who drafted the advertisement—he used to be senior partner of leading stockbrokers Capel Cure Myers. He has now revised upwards to five his estimate of such vacancies among the top brokers.

Gibbs has been commissioned to find a financial wizard for an American firm of brokers which is moving into London—"not Merrill Lynch," he says. His advertisement says it is the biggest firm in terms of financial resources of all the brokers who are currently searching for new financial talent for their top slots.

That American client is willing to put together an annual pay and rewards package, says Gibbs, worth perhaps £120,000 to £130,000.

Applicants to the other brokers will not be slow to note the going rate for the job.

"They're bound to want skilled men, if only to screw on the made in Britain labels.

Mexican spat

Jose Lopez Portillo, the much-maligned former president of Mexico, has broken 14 months of silence from his self-imposed exile in Rome with three words which have rocked the sedate Mexican political system.

When he discovered that his predecessor and boyhood friend Luis Echeverria was about to publish his memoirs criticising the Lopez Portillo Government, he bought a quarter-page in a newspaper to print the words "Tu tambien Luis?" (You also Luis?), recalling the famous line "Et tu Brute."

Lopez Portillo has been constantly attacked for mismanaging the country's oil wealth and leavin gthe state coffers empty. Scores of books have appeared about the rampant corruption. The adding of Echeverria's voice to the chorus, with an extract from the book published in the leading daily, Excelsior, was too much for Lopez Portillo who feels betrayed.

The quarrel between the two men has broken the cardinal rule of the political system. Presidents rule like absolute monarchs for six years and appoint their successors. They are then expected to keep their mouths shut and not to make political pronouncements.

Lopez Portillo had boasted before leaving office that he would be the country's "est ex-president." All he wanted to do was write, paint and grow a beard.

Now political scientists are busily analysing his three little words as if they are a coded message. Some see them as a hint to President Miguel de la Madrid to call off the campaign against his predecessor before too much dirty linen is washed in public.

Rubbing along

Sixty years ago today a bizarre scene took place at the Congress of Soviets in Moscow. The 1,500 delegates listened in astonishment as Maxim Litvinov, the commissioner for foreign affairs, read out a note handed to him by R. M. Hodgson, His Majesty's Agent in Moscow, announcing the British government's desire to establish diplomatic relations.

Hodgson reported back to Whitehall "The allusion to Comrade Chicherin (minister of foreign affairs) as 'Your Excellency' and the mention of 'His Majesty's Government' evoked a slight outburst of meriment among an unkempt minority."

In spite of the guffaws from the cheap seats the establishment of diplomatic relations was approved unanimously.

Thus began 60 years of UK Soviet diplomatic relations which will be celebrated tonight at the Soviet Embassy in Kensington's

Before reaching the tables groaning with caviar and vodka, however, guests will have to run a gaunlet of placard-waving protesters demonstrating against the impending Moscow trial of Olga Medvedkova, a leading light in the independent Soviet peace movement.

Relations probably reached their lowest in September 1971 when Lord Home, then Foreign Secretary, expelled 105 Soviets as spies—a practice repeated at intervals ever since.

This year has opened on a more promising note with hints of a new thaw ahead.

But Moscow is still trying to persuade the British embassy to evacuate the palatial mansion on the Moscow river opposite the Kremlin which was built by Kharitonov, a wealthy sugar merchant, to house his girlfriend, before the revolution.

If Soviet leaders are irritated by the Union Jack flying in front of the Kremlin, Kensington Borough Council is equally disapproving of Soviet Union plans to build a new skyscraper for its London diplomats surrounded by a high brick wall.

Copy paper

Imitation is the sincerest . . . and all that. The Italian business newspaper, Il Sole— 24 Ore, is not only printed on pink paper but every day more closely resembles the FT. It recently introduced a management page and a technical page, and a few days ago brought in a leader page identical in form to that of the FT. At the bottom of the page on some days appears a little unsigned column called Uomini e Fatti, which those who got Italian O-level will know means . . . Men and Matters.

Hawkish

Heard in Congress House: "Militant? If the dove of peace landed on his desk, he'd pigeon-hole it."

Observer

ECONOMIC VIEWPOINT

A first look at the next Budget

By Samuel Brittan

THE TRUE Budget, in the everyday sense of that word, is the Autumn Statement in which the Chancellor sets out public spending plans for the year ahead, amplified by the Public Expenditure White Paper, covering three forward years, due in a fortnight's time.

There are two vestigial reasons for paying attention to the Spring Budget, apart from the up-dating of the estimates. The first is that the Chancellor chooses the Spring occasion for his main annual economic review and statement of his Medium Term Financial Strategy (MTFS), from which modest adjustments to the previously projected borrowing requirement may or may not ensue. The second is that this gives a Chancellor, especially a new one, a chance to indicate his fiscal strategy in the "micro" sense of the balance between the different kinds of taxes.

The time to influence the Budget in a major way will soon be running out. The Budget is on March 13. But long before then the major decisions have already been taken; and all that is possible in the last few days is to make a few last-minute adjustments.

The Institute for Fiscal Studies has just published its annual "Green" Budget (*Budget Options for 1984*, 80p), which tries to second-guess the estimates which the Treasury will publish on Budget Day. These are, of course, fallible; but probably as near as an outsider can hope to get. The Treasury itself is by no means infallible, even in the recent past.

Despite the emergency package of spending cuts in July, the PSBR estimate for 1983-84 was raised in the Autumn Statement to £10bn. But the IFS believes this to have been slightly too pessimistic; and that the best guess for the current year is £9.4bn as shown in the accompanying table.

The Autumn Statement projected a PSBR for 1984-85 of £8½bn. As this was £½bn higher than the figure for that year provided in the latest version of the MTFS, the Chancellor spoke of a possible need to raise £½bn in revenue.

The IFS now believes that the pessimism was overdone and that the PSBR for 1984-85, on a no-change basis, is likely to be just under £8bn. "No-change" means no change except the indexation of the income tax thresholds and the specific duties. This would increase the single person's tax allowance from £1,785 to £1,885 and the married person's from £2,795 to £2,945.

The uncertainties arise (a) because the Treasury's estimates are ultimately unguessable by an outsider; (b) because the £8bn borrowing objective, fixed in March 1983, is only intended as a rough benchmark, and can be adjusted either way, and (c) because however neutral the Budget, all Chancellors shift the balance between taxes and change tax law.

Of course, the Government's financial strategy has a monetary as well as a fiscal side; and Mr Lawson is likely to adjust that part of the strategy, bringing in, as explained in Economic Viewpoint last week, new measures for "narrow" money, likely to be targeted at 3 to 7 or 4 to 8 per cent, compared with the 6 to 10 per cent already laid down for "broad" money for 1984-85.

With a neutral Budget there is a greater risk of demand rising excessively than of it not rising fast enough

The central role of the PSBR has been criticised by the IFS as "monomania." On the one hand there are those who say that after correcting for inflation and business cycle factors there is no real deficit at all, even an excessive surplus. On the other hand there are those who say that the true figure is much higher than the published one because of privatisation and council house sales. These two categories of assets together are estimated at £3.2bn in 1983-1984 and £3.5bn in 1984-85.

It cannot be said that the IFS "Green Book" presents much of an alternative. It suggests that the public sector's surplus of assets over liabilities fell by £26bn in 1982-83, but [illegible] rather vaguely that there is little change in the two subsequent years. But its estimates exclude the running down of North Sea oil and the £15bn to £20bn annual rise in unfunded public sector pension liabilities. It is indeed worth "lifting up our eyes" to these wider issues as the IFS exhorts us; but it does not even tell us in which direction to depart from the £8bn PSBR benchmark.

My own preference would be to treat privatisation and council house sales as ways of financing the deficit, rather than deductions from the amount to be financed. The Treasury's preference is to take into account all special factors by upward or downward adjustments of the benchmark PSBR figures rather than alter definitions. If I had to make a heroic guess it would be that the Treasury's PSBR estimates will be a notch more optimistic than the IFS and that the Chancellor will announce a PSBR objective of £7½bn, without any net tax changes, thus demonstrating that he is not after all counting asset sales as completely equivalent to normal revenue.

The only way to make sense of the Budget judgment is to avoid becoming bogged down in the search for a single "correct" definition of the PSBR. Targets for this, as for the monetary aggregates, are only intermediate. The basic question that matters is whether the overall effect of Government policy is likely to stimulate too great or too small an amount of spending in the whole economy.

In the past year or so total demand in money terms has been rising by about 8 per cent per annum, measured by nominal GDP. Of this some 3 per cent has been real growth and 5 per cent inflation—on official figures which ignore the black economy.

In my judgment, the Government should aim at a trend annual 8 to 10 per cent demand growth over the next year or two. This would provide scope for some modest acceleration of growth if inflation stays where it is or falls; but it would be low enough to discourage any major resurgence of inflation.

If the Chancellor introduces a neutral Budget, that is with a £7½bn to £8bn PSBR and monetary guidelines as indicated, there is a greater risk of demand rising excessively than of it not rising fast enough—again in my judgment, but I would call in support the new CBI survey showing both an acceleration of recovery and some first early signs of an acceleration in prices.

Nevertheless both the official forecasts and the political pressures are likely to lead to a largely neutral Budget; and I would admit that the case for applying the brake is far from conclusive and could best be assessed later in the year away from the ritualistic Budget atmosphere.

Could the Chancellor introduce some reliefs and finance them by increases elsewhere in a neutral Budget? One personal favourite of the Chancellor is over-indexation of personal allowances. A 3 per cent over-indexation would cost £600m in a full year. Other candidates are a cut in the employers' 1½ per cent National Income Surcharge (a ½ per cent cut would cost over £400m assuming full recovery from the public sector), and abolition of the Investment Income Surcharge, which would eventually cost nearly £300m but a negligible amount in 1984-85.

How would the money be raised for such a "redistributive" Budget, which the IFS suggests as the second most likely option—no change being the most likely of all? The IFS suggests that they could be paid for by a VAT levy on financial services*—which would raise £400m in 1984-85, and give the City something to discuss—and by above-indexation increases in specific duties; cigarettes would rise by 6p a packet, petrol by 8p, beer by 5p, and whisky by 50p.

To go quite so far would add 1 per cent to the Retail Price Index. My guess is that serious over-indexation will be confined to beer, where a rise is required for EEC reasons, and where a 5p rise would raise £400m (over and above indexation). I would expect the pre-Budget Cabinet to be concerned mainly with the price of beer, although variations will only be possible if alternative dummy notices are sent out by the Customs and Excise before Budget Day.

Going beyond this familiar kind of switching, we are in the area of tax reform, technical change and the murky ground between them. Too many people see "tax reform" as a quick fix and forget that with all reforms—as distinct from *reductions*—some pay less but others more; and reformers should say clearly who the latter are going to be.

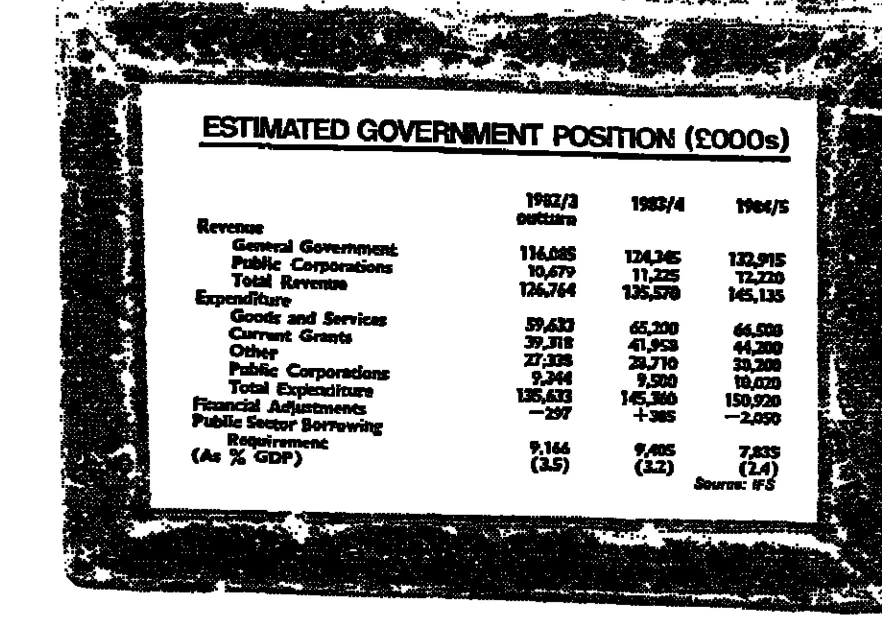
The permanent Treasury inclines towards "neutrality" in the fiscal sense of avoiding privileges or penalties for particular groups. A good survey of the agenda for tax reform is provided in a letter to the Chancellor by the Institute of Directors listing the changes it does *not* want. These include the phasing out of mortgage interest relief, tax relief for pension funds (and insurance policies), and 100 per cent first year investment allowances, popularly known as "free depreciation."

Mortgage interest relief is protected by the lady living next door to the Chancellor; and I would not expect a wholesale attack on pension fund contributions. But some marginal reductions in tax privileges and some recasting of Corporation Tax are possible.

The alternative path to neutrality is to extend privileges towards other forms of investment and saving now left in the cold. This would be the expenditure tax path, although piecemeal and unsystematic. The problems here are both administrative enforcement and cost. Moves expected by the IFS including changes in the taxation of share options, amendments to the Business Expansion schemes, new rules for Stock Relief and "deep, discounted stock," and some adjustment to corporation and capital transfer tax.

Some of these are more technical adjustments than major changes in the balance of the system; and it is much to be hoped that the Budget Speech will concentrate on the wood rather than the trees, explaining the broad thrust of the Chancellor's fiscal thinking and leaving Inland Revenue detail for separate documents. It is also vital to restate *ab initio* the Medium Term Financial Strategy and not assume that it is already well-known or that even Cabinet Ministers are familiar with it. They need to be told about it in common with the financial markets and many others, not least wage negotiators on both sides of industry.

* *Details are given in the IFS publication Issues in Bank Taxation.*



ESTIMATED GOVERNMENT POSITION (£000s)

	1982/3 outturn	1983/4	1984/5
Revenue			
General Government	116,085	124,345	132,915
Public Corporations	10,679	11,225	12,220
Total Revenue	126,764	135,570	145,135
Expenditure			
Goods and Services	59,633	65,200	66,500
Current Grants	39,318	41,958	44,200
Other	27,338	28,710	30,200
Public Corporations	9,344	9,500	10,020
Total Expenditure	135,633	145,360	150,920
Financial Adjustments	−297	+385	−2,050
Public Sector Borrowing Requirement	9,166	9,405	7,835
(As % GDP)	(3.5)	(3.2)	(2.4)

Source: IFS

Lombard

Role reversal in Cheltenham

By Philip Bassett

ONE UNEXPECTED effect of the Government's ban on trade unions at its Cheltenham Communications Headquarters (GCHQ) has been an extraordinary reversal of the traditional employer-union roles in industrial disputes.

Often, particularly in the public sector, an employer tries to claim industrial action is having little effect. In reply, the union claims spectacular success.

Recently, for example, the Banking, Insurance and Finance Union claimed that 45,000-52,000 of its 80,000 members in the English and Welsh clearing banks took part in a half-day strike over Christmas working arrangements, affecting 2,500 bank branches. Bank employers said that at a generous estimate, only 6,000 staff took part, and only 110 branches were affected.

In the mining industry, Mr Ian MacGregor, the coal board chairman, claims that the miners' current overtime ban will have no effect for 15-20 years, Mr Arthur Scargill, the mineworkers' president, says the ban is working far more effectively than the union could have imagined.

In the row over the GCHQ action, these positions are reversed. Sir Geoffrey says that industrial action at Cheltenham "clearly showed the potential for serious disruption at this important Government organisation," and that the "degree of disruption involved could have had serious consequences for national security."

In reply, the unions have been at pains to point out how ineffective their action was. Take Mr John Sheldon, general secretary of the Civil Service Union, the largest union in GCHQ, who says: "We attempted to disrupt GCHQ, and failed to do so because people felt their loyalty was primarily to the state."

Each side's view now, however, is a far cry from what they were saying at the time. Mr (now Sir) John Nott, Defence Secretary during the civil service unions' 1981 pay campaign, said: "There are no circumstances whatsoever under which we would allow the defence, including the deterrent capacities, of this country to be adversely affected in any way by such an industrial dispute.

"I do not wish to discuss the difficulties surrounding the dispute, but up to now they have not affected operational capability in any area."

In contrast, one union Press statement said at the time that the work at GCHQ: "Is of a highly sensitive nature and in some cases has been completely disrupted by the industrial action and Britain has been isolated from the defence network as a result."

Another said: "Considerable disruption and inconvenience has been caused and international relationships between the UK and other governments have been under great strain."

No doubt all these quotes may themselves be accused of being selective, and in any case propaganda is a powerful and probably valid weapon for either side to deploy in an industrial dispute. But how then can the effects of industrial disputes be properly gauged?

Hard evidence of the real effects of industrial action is woefully limited. Two recent examples: firstly, the new Department of Employment/Policy Studies Institute/Social Science Research Council study on workplace industrial relations shows that 61 per cent of managers and 65 per cent of unions recorded some effect of industrial action at plants where it was taking place.

Secondly, unpublished research evidence from the CBI's Pay Databank shows that as an upward pressure on pay settlements since August 1 last year, threatened industrial action is cited by only 2 per cent of employers as an influence on settlement levels, and action actually taken by only 1 per cent.

All this just proves that, as in war, truth is often the first casualty in industrial disputes. Who is right? The row over the effectiveness of the Cheltenham action gives little cause to hope that even time will tell.

Letters to the Editor

How to ease EEC budgetary problems

From Mr J. Astrop

Sir, — John Wyles' analysis (Lombard, January 19) is apposite but misses the one unavoidable reason for the inability of the European Community now either to remedy the problems that have beset it for the past decade or to establish attainable new goals for the future.

The absence of sustained growth in European economies has meant both the problem of budgetary inequality has persisted and the possibilities for future action have been limited as the member-states jealously guard any further contribution to the Community's resources. Just as reduced expectations of economic growth have modified perceptions of the scale and scope of the welfare state for the future, so it is time that some realism impinged on views about what is possible for the Community over the future.

It is unrealistic to believe in a return to the rates of growth that accompanied the first 25 years after the Treaty of Paris. Hence it is equally unrealistic to expect the relative importance of agricultural spending to be reduced by a rapid increase in other areas of Community spending (as the UK wishfully thought possible at one time) without at least one member-state having to make an increased net contribution to the budget.

So where should the Community go from here, assuming that no country is willing to increase *net contributions* and there is insufficient growth to revitalise it? I would advocate a return to the basic spirit of the Community, which is not about costly support for a few sectors but which is about improved trade and access to markets on equal terms. I suggest, therefore, a progressive return of the responsibility for agricultural support to the individual member-states while keeping the budget at its present size, thus enabling a wider range of programmes to be undertaken. Only this time round let a limit be set on the proportion of the Community budget that can be spent on any one sector and perhaps, once more, the Community can appear relevant to Europe's economic needs.

John W. Astrop.
"Kelston," Birch Close,
Haywards Heath, West Sussex.

Dry runs for the piste?

From Mr D. E. A. Sanders

Sir,—I was interested to read that drunken skiers are to blame for 40 per cent of ski accidents in Austria, particularly during holidays when 80 per cent of skiers are under the influence (January 27). This implies that the 20 per cent of sober skiers are responsible for 60 per cent of the accidents.

This raises the intriguing possibility of "drunken skier" discounts in respect of holiday insurance policies. It could be that of the 80 per cent of intoxicated skiers only a small number reach the slopes, fewer still are capable of standing up, and only a small minority reach the optimum speed where accident is a possibility. Thus, although the risk of accident is heavy, the possibility of actually going skiing for this class is small.

D. E. A. Sanders.
69 Calder Drive, Walmley,
West Midlands.

Overvalued sterling

From the General Secretary, Association of Professional, Executive, Clerical and Computer Staff.

Sir,—Your report January 18 that economic recovery appears to be much slower than the growth in consumer spending and your conclusion that the gap between the surge in consumer demand and the rise of manufacturing output suggests imports have increased at an accelerating rate goes to the heart of the Government's economic policies.

The fiscal policy of the Government was relaxed prior to the General Election and particularly has eased as a result of the ending of controls over hire purchase. While that has given some stimulus to the economy the major beneficiaries have been foreign manufacturers of consumer goods.

Contrary to the Chancellor's expressed opinion, the major constraint on the British economy is the substantial overvaluation of sterling against all other currencies other than the overvalued dollar.

This continued overvaluation reflects the increased output of North Sea oil which rose by 8 per cent over the last year.

A policy of increasing production of a dwindling asset like North Sea oil at the cost of pricing our manufacturing industries out of any *real* benefit from the slight improvement in the Government's fiscal stance is totally counter-productive. The whole of the additional revenue that the Government is receiving from increased North Sea oil production is being frittered away in continued *high levels* of unemployment due to our absurdly overvalued currency.

A responsible Government would announce that it had a policy for sterling based on its value being no more than three and a half Deutsche Mark. Such a policy would have enormous benefits to Britain in relation to exports to Europe and the competitiveness of our manufacturing industry in its own home market.

A policy that stated that oil production from well-established wells would be limited so as to reduce our total production by 2½ per cent and that a further and similar cut would be applied if sterling continued to be overvalued beyond its target level would speedily make sterling competitive, with consequences to the production *and employment* power of our domestic industries that would more than offset the marginal loss of oil revenue to the Government.

Roy A. Grantham,
22, Worple Road, S.W.19.

Secondary market for labour

From Professor S. Haack

Sir,—You report (January 23) that research indicates that "fundamentally new patterns of employment are emerging," the principal shift being towards the creation of a "primary" labour market in which workers have relatively secure, well paid and varied careers, and a "secondary" labour market in which workers have relatively insecure, ill-paid and repetitive jobs. May I point out that this phenomenon is not a new one; there has long been a primary labour market of men and secondary *labour market of women. It is* most regrettable that this division becomes of concern only when men are in the "secondary" category.

Susan Haack.
University of Warwick

Accountants and inflation

From Mr D. Arthur,

Sir,—The strongest argument for enforcing an inflation accounting standard (leading article, January 30) is that the adjusted figures give a truer and fairer view than the traditional historical cost figures.

If enforcement is to be imposed on companies and their auditors, should it not also be imposed on journalists and financial commentators? It is not the accountants but the *financial press who have killed off* SSAP 16, by ignoring the figures which companies have reported.

David Arthur,
Dukes Meadow,
1, One Tree Lane,
Beaconsfield.

The need for adaptable managers

From the Centre for Decision Making Studies

Sir,—Some managers are more gullible than others — even in 1984. The examples from Renault, who were taken in by a man who had claimed an invention in coffee making, and the Elf-Erap group, who fell for a claim that a new technology could sniff out oil, are fair examples (January 30). It will be noticed, however, that in both cases senior management made decisions about a subject outside its own competence and experience.

In the same issue your correspondent Michael Dixon described the management grid system of training and concludes that, in spite of splendid sales techniques and elaborate theory, the inventor Robert Blake complains that a large number of executives who have been taught that the so-called 9.9 style of management is best in all circumstances, do not go on to practise it.

I do not find this very surprising and it restores my confidence in modern management's judgments when it comes to decisions about topics on which they have personal experience. The management grid was "invented" in the 1950s when behavioural scientists believed that there were certain universally true prescriptions for successful behaviour and that personality and the "style" of doing things were critical for successful decision making. But research in the 1970s challenged and disproved these assumptions.

There is no universally useful style. Successful managers are those who change their methods according to the nature of the task. The more *successful* they are, the more adaptable is their decision behaviour. These findings flatly contradict the claims made for the "managerial grid." It is personnel managers who have little practical experience of the art of decision-making who buy the training package, but it is good to hear that line managers are less gullible.

Frank A. Heller,
Director,
The Tavistock Institute of Human Relations,
The Tavistock Centre,
Belsize Lane, NW3.

FINANCIAL TIMES
Thursday February 2 1984

Polygram's deal with Warner delayed by court

By Walter Ellis in Amsterdam

POLYGRAM, a joint venture between Philips of the Netherlands and Siemens of West Germany, is to appeal against a court injunction against the planned merger of its recorded music interests and those of Warner Communications of the U.S.

Utrecht City Court ruled yesterday that Polygram could not go ahead with the proposed merger until an existing contract with Strengholt, a Dutch publishing company expires in 1990. Strengholt, which specialises in music, has operated alongside Polygram in that field since 1974.

The judgment was accompanied by a warning that failure to observe the ruling would result in a fine of Fl 10m ($3.15m) followed by a further penalty of Fl 100,000 for each day the injunction was held in contempt.

Although music publishing is specifically excluded from the Polygram-Warner joint venture plans, Strengholt fears that the U.S. giant which is also active in the field, would ultimately seek to boost its own publishing activities in Europe at Strengholt's expense.

Polygram said yesterday that the court ruling was vague and "took no account whatsoever of Polygram's right to guarantee the continuity of its activities by means of reorganisation." It was not clear, the statement said, what activities, nationally and internationally, in the field of music making and music recording, were to be considered important to Strengholt.

Polygram said it had always been aware of the need to safeguard Strengholt's interests and that further talks would take place to that end. Meanwhile, an appeal will be made in a higher court.

Under the proposed joint venture with Warner Communications, two new companies would be established: one for the U.S., owned 80 per cent by Warner and 20 per cent by Polygram, and another, shared 50-50, for Europe and the rest of the world.

Philips would be the main European partner. Siemens intends to reduce sharply its stake in Polygram. At the moment, Polygram owns the Polydor, Mercury, Philips, Deutsche Gramophon and London recording labels, while Warner controls the Warner Brothers, Elektra/Asylum and Atlantic labels.

Britoil pays $83m for U.S. oil and gas assets

BY DOMINIC LAWSON IN LONDON

BRITOIL has made its first large acquisition since it was privatised 14 months ago, spending $83m on oil and gas assets in the U.S.

Britoil is acquiring some of the U.S. assets of Amax Petroleum, a subsidiary of Amax, the diversified natural resources group. It is buying into total reserves of 3.2m barrels of oil, and 37.1bn cubic feet of gas at a price of $75m. The agreement includes an additional 175,000 acres of exploration land, which accounts for the remaining $8m of the purchase price.

Britoil had been on the lookout for U.S. production for about 18 months. Its need became more acute since March last year, when it became involved in exploration in the U.S. via a deal with the independent U.S. oil company, Amerada Hess. Mr Roy Dantzic, Britoil's finance director, explained yesterday that the deal with Amax would generate taxes against which its exploration costs can be offset.

Mr Ian Clark, Britoil's joint managing director, said in Houston yesterday the deal worked out at about $8 per barrel or gas equivalent. "That is not a bargain, but it is no more than the average U.S. price for oil interests of this quality and diversity."

The Amax interests cover 116 fields, of which 30 are described as of "significant size." These spread from North Dakota to the Gulf of Mexico.

Britoil will be paying for the deal out of its cash resources which were valued at £300m on December 31. In contrast, Amax, which lost more than $122m in the first nine months of last year, is trying to reduce its borrowings. Before the deal with Britoil Amax's balance sheet was weighed down with net debt of $1.3bn.

Amax yesterday described its Houston-based oil and gas business as "a cash cow these last 20 years." Amax will be the operator of the exploration acreage involved in the deal, and the two partners will soon set up an operating committee which will seek to identify opportunities for future joint ventures.

Mr Clark said yesterday Britoil hoped to make another acquisition of U.S. oil and gas production of about the same size as the Amax deal, but no target had yet been identified.

The deal is qualified to the extent that, if in the period up to July 1 1985, gas production from the Britoil/Amax fields is curtailed, then Britoil will be able to seek a reduction in the purchase price. Mr Dantzic described this clause as "unique to my knowledge."

On the London Stock Exchange, there was a favourable reaction to the acquisition, and Britoil's share price gained 5p to 230p.

Britoil urged to drop litigation, Page 6; Lex, this page

Indosuez leads French banks' fund-raising return to bourse

BY DAVID MARSH IN PARIS

BANQUE INDOSUEZ, the internationally oriented French bank taken into state ownership two years ago, is leading a fund-raising return to the Paris bourse by the country's nationalised banks.

Paribas, the state-owned investment bank, meanwhile, is taking a minority stake in the troubled Paris private bank, Banque Privée de Gestion Financière (BPGF), as part of a wide-ranging capital reconstruction to put the latter on a new financial footing.

Indosuez, which is owned by the Compagnie Financière de Suez holding company, will launch on the bourse later this month an issue of at least FFr 700m ($81m) in *titres participatifs* (TPs) – non-voting loan stock intermediate in character between shares and bonds – to bolster its capital resources.

The issue is expected to precede more fund-raising sorties to the stock market by other nationalised banks later this year. The banking TP issues, which follow the successful launching of five TPs by nationalised industrial companies last year, are being backed by the Finance Ministry as they allow banks to raise badly needed private capital without diminishing 100 per cent state control.

Already this year a small nationalised bank, Banque Industrielle Mobiliere Privée, has made an initial FFr 50m TP offering to test reception to banking flotations.

The Banque Indosuez issue will be offered from February 13. It is understood to carry a long maturity of more than 20 years. Final terms have not been worked out but the issue – like the other TPs issued last year – will carry a yield partly based on prevailing bond market conditions and partly based on the financial performance of the bank.

The Government invented the TPs after it realised that nationalisation cut off state-owned enterprises' access to badly needed private risk capital.

The Finance Ministry realises French banks are badly under-capitalised by international standards, but the Government has no funds to carry out much-needed banking capital increases as all available cash for nationalised sector is being channelled to industrial companies, mainly in the steel and chemical sector.

So the Ministry sees the TPs as a compromise solution to capitalise on the current buoyancy of the stock market. Some stockbrokers say the TP issues, by bringing in bourse capital to the state-owned groups again, even in a non-voting form, could eventually help to return parts of the nationalised companies to private ownership.

BPGF, in which Paribas is taking a stake, has important foreign shareholders, including Amsterdam Rotterdam Bank, Société Générale de Belgique, Credit Suisse First Boston und J. Henry Schroder Wagg. It has encountered financial difficulties as a result of risky forays on the property market.

Under a restructuring plan worked out at the end of last year, the bank's property portfolio is being taken under the wing of a central holding company, leaving the bank itself to concentrate on its traditional mainstream business of international investment banking.

Paribas has taken an option to buy a stake of up to 20 per cent in the bank, and is seeking other banking shareholders – inside and outside France – to strengthen BPGF's capital structure. The bank's capital is FFr 90m at present.

Paribas emphasises that it is not seeking to absorb BPGF into its overall investment banking empire. The bank will remain overall privately owned and with a majority foreign shareholding.

The present foreign shareholders own 51 per cent of the BPGF holding company. Shareholders from France include Crédit Lyonnais, the Banques Populaires co-operative group, Caisse des Dépôts et Consignations and Crédit Foncier.

It is not known whether all BPGF present foreign shareholders will remain associated with the bank. By taking a direct stake itself, Paribas clearly hopes to demonstrate that the bank has a future as a going concern and thus attract new capital participations.

Eurobonds, Page 42

Democrats' call to quit Beirut 'may encourage Syrians'

By Reginald Dale, U.S. Editor, in Washington

THE WHITE HOUSE yesterday accused congressional Democrats of playing election-year politics with the U.S. marines in Beirut and warned that attempts to force their early withdrawal would only play into Syrian hands.

The statement by Mr Larry Speakes, White House spokesman, called on the Democrats to drop a resolution urging a prompt pull-out of the American troops that is expected to go to the floor of the House later this month.

Mr Speakes warned that the Democratic resolution would "encourage intransigence on the part of the Syrians and thereby undermine the peace negotiating process in the Middle East." It would "aid and abet" the Syrians and "others who are bent on a destructive route in the Middle East" and threaten vital U.S. interests, he said.

The Democrats nevertheless proceeded with their non-binding resolution, which Mr Tip O'Neill, House Speaker, predicted would be brought up in the full Democrat-controlled House after Congress returns from the Washington's Birthday recess on February 21.

The resolution, approved by the House Democratic caucus yesterday, calls for a "prompt and orderly withdrawal" of U.S. forces, and gives President Reagan 30 days from its passage to give Congress a progress report.

The resolution sets no specific withdrawal date, although there may be moves to introduce one on the House floor. Mr O'Neill said that "prompt" meant "immediate or right away."

Mr O'Neill said that Mr Reagan might not be able to count on the Republican-controlled Senate to block the resolution, and called for bipartisan support. House Republicans said they would wait to see the resolution's specific wording.

Commission rejects report on UK milk

By John Wyles in Brussels

THE EUROPEAN Commission yesterday firmly rejected its financial controller's recommendation that Britain be forced to give £430m ($602m) back to the EEC because it pursued allegedly illegal milk pricing policies in 1978 and 1979.

This decision by the 14-member Commission will come as a considerable relief to the British Government, which does not want another dispute over money to add to its protracted campaign for much reduced payments to the EEC budget.

The milk pricing issue and a further demand for repayment by Sig Carlo Facini, the Commission's financial controller, may well surface again towards the end of the year.

His task is to ensure that all EEC payments are made in line with regulations and by then Sig Facini may well complete his scrutiny of the EEC's 1980 and 1981 budgets with a similar "take-back" recommendation.

His stand was rejected by the Commission yesterday largely because its legal service disputed his view that the UK's milk pricing policies were in breach of regulations in 1978 and 1979.

Sig Facini will, however, have a stronger legal case over the subsequent two years because a regulation was then in force requiring the Milk Marketing Boards to adjust their practices.

The case against the MMBs is that they operated a two-tier price system which stimulated production of liquid milk and encouraged disposal of butter and other milk products on the domestic British market.

In a complaint just lodged with the European Court, the Commission has argued, inter alia, that this limited the access to the British market of milk and dairy products from other member states.

THE LEX COLUMN

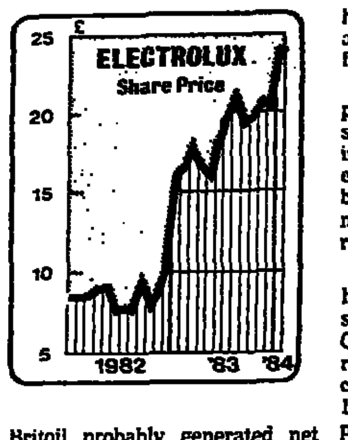
Welding bells in Pittsburgh

Little over a month ago, U.S. Steel announced its intention of spending $1.15bn to shed 8m tonnes of capacity. Now, America's largest steel producer proposes to spend a further $0.7bn buying 6m tonnes back, through the takeover of fourth largest producer, National Steel. Odd though this looks on the face of it, it was well signalled in advance; after rationalisation, merging is now the U.S. industry's recipe for recovery.

The new capacity will be a good deal less primitive than that being closed down. Less than 30 per cent of U.S. Steel's output is made by continuous casting and, for National, one of America's most modern producers, the figure is between 60 and 70 per cent.

Other benefits are claimed for the merger, such as National's being under-supplied with coke, and U.S. Steel over-supplied. There will also be a switch in the product mix, since the capacity which U.S. Steel is closing down was largely focused on capital goods markets – rails, rods, wire – and as an efficient flat-rolled producer National should redress the balance in the capital goods sector with a more competitive range of products.

The fact remains, though, that the industry is still badly afflicted by overcapacity. Recent figures for fourth-quarter 1983 showed a spate of write-offs and closure costs, as the producers came to the simultaneous realisation that their previous policy of diversifying away from steel was no substitute for cutbacks and modernisation. The next stage, it seems, is an urge to merge. This is the second such alliance after LTV/Republic Steel. There may be more to come.



Britoil

Last year's asset swap between Britoil and Amerada Hess left the UK company with an uncomfortable tax exposure across the Atlantic, which it has now gone some way towards closing. The purchase of $75m of production assets from Amax Petroleum will help to enrich Britoil's shareholders at the expense of the U.S. taxman, although the company will need to buy roughly as much again before it has secured complete shelter for its exploration expenditure.

Britoil probably generated net cash in excess of £150m last year and cash flow should be roughly neutral this year, even assuming a further incursion in the U.S., so it will have little trouble in financing this expansion. The more important question is whether the company has overpaid for its oil.

Given its brief track record as an independent oil company – let alone as a North American producer – this is evidently a sensitive matter for the company. There are more ways of valuing a barrel of oil than there are of skinning a cat but, on most accepted criteria, the acquisition emerges reasonably well. The $8 per barrel of oil equivalent which Britoil reckons to have paid looks about right for assets of this kind, while the cash flow multiple of about three times is also in line with the U.S. industry norm. The London market at least gave the deal a respectable welcome, pushing the shares up 5p to 230p.

Electrolux

After taking care at the halfway stage to pour a little refrigerated water on the market, Electrolux has kept up the pace right to the end of the year with net income virtually trebled at SKr 1.75bn.

Perhaps the doubts were due to a slackening in the rate of sales growth – the increase for the whole of 1983 was only 11 per cent – but greater output does not really seem to have been the sole key to Electrolux's success. Improvements in operating efficiency, gained from more flexible production techniques and shorter lead times, probably have as much to do with it; stocks are now revolving about a third faster than they were in 1981.

There has also been a positive impact from a string of asset disposals, including peripheral ventures in air conditioning, office machinery, and cash registers. On the rebound from years of acquisitiveness, Electrolux is now constantly rationalising its portfolio.

It remains a puzzle what Electrolux can do for an encore beyond selling off some more bits of Granges. Yet there seems to be a reasonable chance that earnings could grow by about 20 per cent in 1984, which leaves the shares on a prospective multiple of around 5½ – cheap by international standards, like most of the Swedish market. In the short run results like these, and the figures from Volvo last week, may pull in quite a lot of loose funds ahead of the main spring reporting season.

Gerrard & National

Gerrard & National is keeping the identity of its ex-fiancee a closely guarded secret but market sleuths obviously have ideas of their own. News that the talks had been terminated left Gerrard's price 25p lower yesterday at 312p, while Mercantile House shares jumped 10p to 432p.

Assuming that the market is correct in its guess, the financial services companies seem at present to be taking the uncharacteristic view that discretion is the better part of valour. Exco, after all, failed recently to consummate its much-discussed relationship with Wood, Mackenzie.

Both Exco and Mercantile should have a shrewd appreciation of the value of a discount house, having been spawned by the discount market themselves. It appears that the Gerrard talks broke down not through any disagreement over commercial logic, still less because of objections by the Bank of England. Gerrard's directors presumably considered that their company was worth substantially more than the insulting £100m value which the stock market attached to it. Mercantile, for one, would have found difficulty in paying much more than that, particularly for a business with inherently volatile earnings.

Steelworkers in Genoa plan protest strike

By Alan Friedman in Milan

STEELWORKERS in Genoa yesterday announced plans for a four-hour strike on February 15 as part of their protest against the Italian Government's steel restructuring plans.

After his talks on Tuesday with Sig Bettino Craxi, Italy's Prime Minister, Viscount Étienne Davignon, EEC Industry Commissioner, said he hoped the Bagnoli complex near Naples could be reopened soon.

However, he tied the reopening of the newly modernised Bagnoli complex to the restructuring of Italsider's Cornigliano steelworks, near Genoa, where some 5,500 jobs are at risk.

Under a plan being discussed, the Genoese plant would be privatised, which would still result in the loss of 4,000 jobs.

Italy, along with other countries, failed this week to provide the EEC with a detailed plan for steel restructuring. The deadline had been January 31, but Viscount Davignon said the exercise would take more time to complete.

Unions delay pay accord, Page 2

U.S. steel merger bid

Continued from Page 1

The bid comes as the U.S. industry is beginning to show signs of emerging from its severe four-year recession. Steel shipments rose by 10 per cent in the first eleven months of last year, and production is estimated to have increased to 83.4m tonnes, an 11.8 per cent increase on the previous year, which has brought the steel manufacturers up to around 55.5 per cent of production capacity.

U.S. Steel has suffered heavily during the downturn, and only this week announced losses of $1.2bn after heavy reorganisation write-offs of almost the same amount. Its restructuring, however, announced just after Christmas, has left it with a much more up-to-date portfolio of assets and it is now keen to add to those by acquiring National.

Mr Roderick said yesterday that the takeover would generate efficiencies that would improve pre-tax income and cash flow

Technip may take over Creusot unit

By David Housego in Paris

TECHNIP, France's leading project engineering firm, is negotiating to take over Creusot-Loire Entreprises, the project engineering arm of the Creusot-Loire group.

The merger would create one of the largest European project engineering groups, with a combined turnover of some FFr 5bn ($580m). Both companies have been making losses as a result of the depressed market worldwide for the oil-based capital equipment goods and turnkey projects in which they specialise.

Technip, in which the state-owned Institut Français des Pétroles has 40 per cent and Elf-Aquitaine 25 per cent, made losses in 1982 of FFr 40m. It expects additional losses last year of FFr 120m.

Creusot-Loire Entreprises lost FFr 48m in 1982. In shedding it now, M Pineau-Valenciennes, the head of the Creusot-Loire group is carrying through his policy of refocusing the companies' activities on a smaller, profitable range of activities. The Creusot-Loire group expects losses last year of FFr 1.3bn.

Bass family lifts stake

Continued from Page 1

The group had increased its stake by buying 7m shares between January 19 and January 30 at prices ranging from $35 to $40.54 per share.

A representative of Bass Brothers Enterprises said yesterday "we are a privately held company and it is not our policy to comment on these transactions." Texaco also refused to comment on the motives behind the owners of a share stake worth $1bn in their company.

It is understood that the Bass family have been substantial shareholders in Texaco for some time but it was not until January 18 this year, when it was revealed that they had a 7.2 per cent stake, that the size of the investment was revealed.

At the time Sid Bass, who manages the family fortune, informed Texaco that he considered the Getty acquisition to be favourable to Texaco and he strongly supported it.

Wall Street analysts were surprised yesterday at the size of the Bass Brothers stake in Texaco.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	11	52	Dubrovnik	S	14	57	Malaga	S	16	61	Salzburg	C	3	37
Akrotiri	S	17	63	Faro	C	16	61	Malta	F	15	59	Seoul	Sn	2	36
Algiers	F	17	63	Florence	S	9	48	Manila	S	31	88	Singapore	R	29	84
Amsterdam	C	2	36	Frankfurt	C	4	39	Miami	S	25	77	Stockholm	Sn	1	34
Athens	C	14	57	Funchal	F	16	61	Milan	Fg	3	37	Strasbourg	C	6	43
Bahrain	S	18	64	Geneva	C	5	41	Moscow	—	—	—	Sydney	S	23	73
Bangkok	S	34	93	Gibraltar	S	16	61	Montreal	S	5	41	Taipei	S	13	55
Barcelona	S	13	55	Guernsey	Fg	10	50	Nairobi	F	25	77	Tangier	F	16	61
Beirut	C	19	66	Helsinki	Sn	-4	25	Naples	R	10	50	Tehran	—	—	—
Belgrade	S	7	45	H Kong	C	14	57	New Delhi	S	23	73	Tel Aviv	S	18	64
Berlin	Fg	0	32	Innsbruck	F	3	37	New York	S	2	36	Tenerife	C	18	64
Biarritz	R	12	54	Inverness	R	4	39	Nice	S	12	54	Tokyo	C	8	46
Blackpool	R	4	39	Istanbul	F	11	52	Oporto	C	12	54	Toronto	S	-9	16
Bordeaux	C	12	54	Jersey	D	9	48	Oslo	Sn	0	32	Tunis	C	15	59
Brussels	F	5	41	Jo'burg	S	25	77	Paris	F	8	46	Valencia	F	15	59
Budapest	S	2	36	Las Palmas	C	19	66	Prague	C	1	34	Venice	C	5	41
B Aires	C	29	84	Lima	S	25	77	Reykjavik	S	-3	27	Vienna	Sn	0	32
Cairo	C	20	68	Lisbon	S	13	55	Rio de J'o	S	40	104	Warsaw	C	-1	30
Cape Town	S	24	75	Locarno	S	4	39	Rome	F	12	54	Zurich	C	3	37
Caracas	R	28	82	London	R	7	45								
Casablanca	R	17	63	Los Angeles	C	21	70								
Copenhagen	Fg	1	34	Luxembourg	R	3	37								
Corfu	R	12	54	Madrid	F	13	55								
Dublin	C	8	46	Majorca	F	15	59								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Bonn decision on Kiessling, Wörner

Continued from Page 1

In reply, the 58-year-old four-star general gracefully expressed his conviction that the minister had acted purely in consideration of national security interests in ordering his dismissal.

However, Gen Kiessling, who has lately been in a Munich military hospital, stated that for health reasons he did not want to return to his job in Brussels. Instead, he would prefer to retire early on March 31 1984 – the date that had been agreed earlier with the Defence Minister before the storm broke – "in dignified circumstances." He is also dropping the lawsuit he has brought against the minister.

Herr Kohl made clear that the general would be properly compensated for the distress he had been caused. "Mistakes have been made in the handling of this affair," the Chancellor said, indicating that those responsible for the errors would pay for them.

Those most obviously in the firing line include the State Secretary responsible for the security services and the defence intelligence agency (MAD), which unearthed much of the now discredited evidence against Gen Kiessling.

Herr Wörner has already set up a commission of three independent experts to investigate MAD, whose operations have landed previous defence ministers in difficulty.

However, the minister himself seems to have escaped comparatively lightly, especially given the ridicule heaped upon him after disclosure that he received a Swiss homosexual author peddling information said to compromise Gen Kiessling.

Observers in Bonn are sure that Herr Kohl's tactics have been largely dictated by his desire to avoid an upheaval in his Cabinet.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, F. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd. 1984.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday February 2 1984

Severe weather hits Chubb earnings

By Our New York Staff

CHUBB Corporation, the U.S. casualty insurance company, suffered a sharp fall in operating profits in the final quarter of last year as it was hit by claims arising from the severe December weather.

Catastrophe losses during the three months amounted to $15.5m against only $1.9m a year ago, reducing net operating profits to $14.5m or $1.17 a share, compared with $24.6m, or $2 a share in 1982.

At the same time, realised investment losses rose to $8.2m or 66 cents a share against $1.6m in the previous year, leaving final net profits at $6.3m, or 51 cents a share, against $23m, or $1.87 a share.

The results underline the bleak prospects for the U.S. insurance industry during a period when it is still suffering from highly competitive underwriting and falling investment income. December's spell of extremely cold weather is also expected to bite deeply into fourth-quarter results.

● Cigna, the second largest shareholder-owned insurance company in the U.S., said yesterday that its previously announced purchase for $215m of Afia, an international underwriting association, would reduce 1984 net earnings by 30 to 40 cents a share.

Perrier keeps fizz with 50% income rise

By Our Financial Staff

PERRIER, the leading French mineral water group, has turned in another bubbling profits performance, increasing after-tax earnings by almost 50 per cent.

For the year ended September 1983, the company, which controls about half of the world mineral water market, has increased net profits from FFr 118.8m ($13.8m) to FFr 176.8m.

The results represent increased market penetration in areas like Japan and North America, and strong gains for sales during the long hot summer in Europe.

Perrier last September claimed that its sales during the summer had been running some 2½ times greater than the comparable period in 1982. The company does not release turnover figures.

For 1982-83 shareholders are to receive a higher dividend with the payment going up by the 5 per cent maximum laid down by recent government regulation. It will rise to FFr 14.18 a share from FFr 13.5.

Sperry upturn maintained

By Our Financial Staff

SPERRY, the U.S. computer, defence systems and industrial products group, has continued its strong recovery into the second half of the current year. For the third quarter to December, operating net income jumped almost 70 per cent from $40.1m to $68.1m, or from 90 cents to $1.32 a share.

This took the nine-month total from a depressed $68m, or $1.49, to $118.6m, or $2.33.

Sales for the third-quarter edged ahead from $1.17bn to $1.18bn, putting the nine-month figure at $3.44bn, against $3.35bn.

The nine-month total excludes a $10.8m, or 21 cents a share gain from Sperry Vickers fluid power business sold at the beginning of January. The company expects to show a modest gain on this sale in the fourth quarter.

Turnround for United Brands

By Our New York Staff

UNITED BRANDS, the world's largest banana importer, showed a turnround of almost $30m in the third quarter to December as it moved to a profit of $8m or 58 cents a share, from a loss of $21.5m or $1.80 a share in 1982.

Net profit for the nine months came to $45.4m or $3.40 a share, against a loss of $19.6m or $1.80 a share in the previous year.

The company said profits had increased mainly because of improved selling prices caused by a reduction of supplies from last year's abundant conditions. Earnings at John Morrell, the group's meat packaging subsidiary, had also risen following plant closings and streamlining.

Net sales for the third quarter amounted to $795m against $813m and for the nine months fell to $2.5bn against $2.7bn.

RODERICK UNVEILS POSITIVE SIDE OF RATIONALISATION

Cuts pay off at U.S. Steel

BY TERRY DODSWORTH AND PAUL TAYLOR IN NEW YORK

MR DAVID RODERICK, chairman of U.S. Steel, the behemoth of the American industry, is one of the foremost advocates of rationalisation of the country's steelmaking capacity.

In the lull between Christmas and the new year, he began to practice what he has been preaching incessantly to Congress and the other steel companies, stirring U.S. Steel itself into drastic cuts. Yesterday, he unveiled the positive side of the strategy with the announcement of the $575m plan to take over the steel and coke facilities of National Intergroup.

The deal thus comes after a period of extensive restructuring which has involved both companies. At U.S. Steel, the reorganisation is reckoned to be mainly the work of Mr Tom Graham, an executive brought in from LTV with a reputation as a tough, pragmatic streamliner, earned from his shake-up of Jones and Laughlin, the LTV steelmaking subsidiary.

The December closures knocked out a vast proportion of U.S. Steel's old and decrepit facilities, many of them dating from the turn of the century. It reduced its steelmaking capacity by about 16 per cent – to around 25m tons a year – took it out of bar and wire making, and cut its rail manufacturing potential dramatically.

The logic of these moves was to take the company out of particularly vulnerable areas. The bar and wire manufacturing sector has been heavily hit over the last few years by the mini-mills, which can make these low-grade steels for concrete reinforcement and heavy cables much more cheaply. Its rail manufacturing facilities needed extensive new investment.

On the other hand, it has chosen to stay in flat-rolled steel, steel plate and pipe. Indeed, the company announced in December that it was investing more in the pipe sector, where oil and gas drilling markets are reckoned to have a healthy future in the U.S., and where the workers at Fairfield, Alabama, had been persuaded to make substantial wage concessions.

Both steel plate and flat-rolled steel are also reckoned to be areas which will be relatively less vulnerable to the mini-mills and, of course, the increasing challenge from imports.

Flat-rolled products, in particular, are heavily biased to motor industry markets, and the U.S. vehicle manufacturers tend to buy almost exclusively from the domestic manufacturers. This is where National Intergroup's facilities fit in so sweetly with U.S. Steel's own plans.

National Intergroup's steelmaking business, which last year represented about two thirds of its total $3bn sales, is heavily skewed towards sheet steel and the Detroit market.

It is also one of the most efficient and potentially profitable steelmaking groups in the U.S. Last year, the steel group posted an operating profit of $22.1m before a series of special write-offs.

The improved performance of the steel group has been achieved over the last three years by a series of bold reorganisations and rationalisations.

Until 1980 National was more or less a traditional steelmaker, specialising in sheet steel used in the car industry, appliances and tinplate used in packaging.

Since then, however, the steelmaking operations have been drastically restructured – older plants have been closed down cutting National's annual steelmaking 12m tonscapacity by more than half, while the workforce has been pared back by around 5,000 to about 16,000. This pro... culminated late last year in National Steel selling off its huge Weirton, West Virginia, steelmaking plant to the workers, creating the biggest worker-run company in the U.S.

At the same time National Steel, which changed its name to National Intergroup last September, has been diversifying – to such an extent that the business has been divided into six separate divisions, steel, aluminium, financial services, energy, distribution and diversified businesses.

In January 1980, National paid $241m for Citizens Savings and Loan Association of California, a thrift which has since acquired two other savings and loans, changed its name to First Nationwide Savings and grown into the eight largest S & L in the U.S. with $8.5bn in assets and 148 offices in California, New York and Florida. Last year First Nationwide, in which National now has an 82 per cent holding, had record earnings.

Electrolux triples pre-tax surplus after restructuring

BY DAVID BROWN IN STOCKHOLM

ELECTROLUX, the Swedish household appliances group, tripled its profits last year following extensive restructuring operations and the sale of several subsidiaries. The surplus before tax and extraordinary items jumped to SKr 1.7bn ($208m) compared with SKr 609m a year earlier.

Adjusted sales climbed 11 per cent to SKr 32.2bn, and the board has recommended a dividend of SKr 11 per share, up SKr 2.

The company said faster stock turnover helped bring net financial costs, including exchange differences, down to 3 per cent of net sales from 4.2 per cent a year earlier. The positive result was also partly influenced by economic improvements in the U.S., UK, the Nordic region and the Far East.

The European market, particularly France, which accounts for some 11 per cent of total group sales, continued to be weak in the consumer goods sector and price competition was severe.

Mr Anders Scharp, group managing director, said "I do not expect a very rapid recovery of demand for consumer goods in Europe." But he predicted that the continued group restructuring and market improvements in the U.S. would allow the company to post better profits in 1984.

"Pronounced improvements" were reported in most units, including vacuum cleaners, white goods and the Gränges aluminium and metals subsidiary.

Electrolux has been involved in an extensive reorganisation for several years. It raised some SKr 500m through the sale of its Facit office product subsidiary to the L.M. Ericsson telecommunications group in late 1982.

Scanvest-Ring bids for foreign share sale

By Fay Gjester in Oslo

SCANVEST-Ring, a fast growing Norwegian office equipment and electronics business, is seeking government permission to increase the proportion of its share capital that may be held by foreigners from 40 to 79 per cent, in two stages.

Last year, the company won official consent to increase the ratio from 20 to 40 per cent, and later raised NKr 157.5m ($20m) of fresh capital through the private placement – mainly abroad – of a new share issue. Some 350,000 shares, each with a par value of NKr 10, were sold for NKr 450 each, bringing total share capital to NKr 18m from NKr 14.5m previously.

Initially, the company wants to boost the permitted quota of foreign shareholders to 49 per cent, because the present quota is full and potential foreign buyers are being turned away. Later it would like to raise the share to 79 per cent by issuing non-voting "B" shares, as Norsk Data was allowed to do, on the U.S. market. Foreign holdings of the "A" shares, with voting rights, would not be allowed to exceed 49 per cent.

Scanvest Ring was formed last year through the merger of Scanvest EDB, a computer specialist, and Gustav A. Ring, a producer of intercom systems and telecommunications equipment. It has since acquired, or merged with, other concerns active in related fields, and now markets computers, communications equipment and office equipment, and produces and sells software, telecommunications equipment, microelectronics and intercom systems.

Improvement continues at Swedish steel group

BY OUR STOCKHOLM CORRESPONDENT

SVENSKT STAAL, the Swedish steel company three-quarters owned by the state, has announced dramatically improved results for a second year.

Pre-tax profits for 1983 are expected to reach SKr 300m ($36m), up from the SKr 50m achieved a year earlier – the first profit in the group's history.

The improvement is attributed to higher volume sales of coil and thin plate, better prices and lower increases in operating costs as a result of the extensive rationalisation concluded a year ago.

The group, which produces ordinary steel, was formed by the merger in 1978 of the troubled state steel interests with those of two privately owned companies.

DM 10m aid for Hanomag

BY JOHN DAVIES IN FRANKFURT

HANOMAG, one of the West German companies in the fallen IBH construction equipment empire of Herr Horst-Dieter Esch, has received aid of DM 10m ($3.5m) to enable some production to continue.

The Hanover-based company, like the IBH parent concern, has gone into bankruptcy proceedings.

The state government of Lower Saxony and the Hanover city authorities have stepped in to ensure a guarantee of DM 10m for finance for up to two months' production.

Herr Egon Kretschmer, the court-appointed liquidator of Hanomag, told employees yesterday that negotiations with three interested parties so far had produced no agreement about a takeover. But an agreement with one of the parties might be reached in the next two weeks, he added.

Although he disclosed no details, it is widely known in Hanover that negotiations have been held with Orenstein and Koppel, the West German engineering and construction equipment company, Herr Hartwig Piepenbrock, a West German businessman, and Dresser, the U.S. construction equipment concern.

Because of labour costs, Hanomag's losses are understood to have increased since the IBH group collapsed more than two months ago, and this has complicated negotiations with prospective buyers.

About 2,000 workers now have been put off, but 500 others are continuing to work. Hanomag is understood to have orders for about 600 machines and Herr Kretschmer expects orders for a further 200 this month.

Meanwhile, public prosecutors' offices have disclosed that about 300 officials took part in a major search operation on Tuesday in connection with the affairs of IBH, the associated company of Wibau, and the private bank of Schröder, Münchmeyer, Hengst.

Officials went to 70 addresses, including offices and private homes.

The prosecutors' offices said that a large number of documents were taken away and it would take some weeks to examine them.

Degussa plans rights issue

DEGUSSA, the West German precious metals and chemicals group, plans to restore its dividend and raise around DM 93.5m ($33.2m) via a rights issue.

The dividend for the year ended September, 1983 is going up by DM 1 to DM 9 a share, an amount last paid in 1980-81.

Swiss discount group acquires toy retailer

BY JOHN WICKS IN ZURICH

FRANZ CARL WEBER, once the world's leading toy retailer, is to sell its 59 Swiss shops to the Zurich-based discount group Denner.

The takeover, the price for which has not been disclosed, will add more than SwFr 70m ($31m) a year to Denner's sales, which last year exceeded SwFr 1bn. The deal does not include Franz Carl Weber Shops in other countries, the best known of which is the F.A.O. Schwarz toy shop in New York. However, the family concern has recently disposed of its shops in Austria and West Germany.

Franz Carl Weber has total sales of around SwFr 220m, but is understood to have experienced a considerable setback in the past two years in its operations outside Switzerland and the U.S. At the same time, there is no new generation of the controlling family that could continue running the company, now more than 100 years old. The current head, Mr. Franz Carl Weber, is 60.

The acquisition marks a further expansion in the interests of Mr Karl Schweri, Denner's proprietor. At present, Denner operates 199 discount shops in Switzerland.

Northwest hit by $85m loss

By Our New York Staff

NORTHWEST Industries, the U.S. conglomerate which has been hit by heavy losses at its Lone Star Steel drilling pipe operation, lost $85.3m in its final quarter after the $90m charge offs announced in December.

For the full year the group lost $80.4m, compared with net income of $184.6m in 1982. The group's oil country goods and energy operations – mainly Lone Star Steel – reported operating losses of $101.9m for the full year against profits of $248.7m in 1982.

Sales on this side of the business, which has been hit by the slump in the Texas energy industry, fell 60 per cent to $279.5m last year.

The group says that leaving out Lone Star Steel, the operating earnings of the other companies rose 60 per cent to $188m last year. In the final quarter the earnings of these companies were double those a year earlier.

Three top Italian banks to increase capital

BY ALAN FRIEDMAN IN MILAN

THREE of Italy's largest banks – Banco di Roma, Banca Commerciale Italiana and Credito Italiano – are taking action to boost the size of their capital. The exercise, which comes after years of complaints about the Italian banking system being chronically undercapitalised, will be funded principally by IRI, the state holding group which controls the three banks. A small part of the capital increase will come from shareholders who hold bank equity which is quoted on the Milan bourse, but this represents a minor part of the overall shareholdings.

Banco di Roma is to double the size of its equity capital from L140bn ($81m) to L280bn. The increase will be achieved through the issue of new shares, many of them at a significant discount to the quoted price on the Milan bourse, which yesterday stood at L34.500.

Credito Italiano will also double its equity capital from L160bn to L320bn. This exercise will also involve the issue of discount-priced shares, some 320 at a price of L500. Credito Italiano's share price on the Milan market last night closed at L4,850.

Banca Commerciale Italiana has not yet made public the details of its capital increase, which are expected within the next few days.

Coastal faces Houston counterbid

By Our New York Staff

HOUSTON Natural Gas, which is on the end of an unwelcome $1.3bn bid from Coastal Corporation, the U.S. pipeline and refining group, has mounted a counterbid for Coastal worth $876m.

Houston Natural Gas announced that it intends to begin a $42 per share cash tender offer for Coastal shares. Mr M.D. Matthews, chairman of Houston Natural Gas, said: "It was unfortunate that Coastal launched its hostile tender offer for Houston Natural Gas without even having had the courtesy to speak to us."

As Coastal is only making a $68 per share bid for part of Houston Natural Gas, it cannot begin buying Houston shares until its offer expires on February 24. There had been speculation that Houston National Gas might try to counter Coastal by mounting a counterbid, although Coastal has taken steps to defeat hostile takeover bids.

Houston Natural Gas said that it could purchase tendered Coastal shares two days before Coastal will be free to begin buying Houston Natural Gas shares. Houston said that it was not obligated to purchase Coastal shares should the latter terminate its offer without purchasing a significant number of Houston shares.

Dr Pepper to sell Canada Dry division

BY OUR FINANCIAL STAFF

DR PEPPER, the U.S. soft drink company which is to go private in a $512m leveraged buyout, has put its Canada Dry line of mixers and soft drinks up for sale.

The company said it had held preliminary talks with various parties for the sale of Canada Dry, which it acquired from Norton Simon for about $150 in February, 1982.

It disclosed the talks in proxy material for the special meeting of shareholders on February 28 to approve the buyout by Forstmann Little, the U.S. investment firm, and a group of investors including Dr Pepper executives. Dr Pepper said it intended to sell Canada Dry after the buyout was completed.

Dr Pepper has about 10 per cent of the U.S. soft drink market, ranking it as the third largest in the U.S. Earnings over the past two years have fallen because of strong competition, but the company has attempted to boost its marketing efforts.

Canada Dry is one of the leading names in the "mixer" market, producing tonics, soda, bitter lemon and ginger ale and marketing them worldwide. Its U.S. market share is estimated at 3 per cent.

Mr Joseph Doyle, analyst at Smith Barney, Harris Upham, said Dr Pepper would probably not receive more than it paid Norton Simon. The sale would help the new owners meet payment on the debt implicit in the leveraged buyout.

INTL. COMPANIES & FINANCE

Sappi overcomes narrower margins

By Bernard Simon in Johannesburg

SAPPI, South Africa's largest pulp and paper producer, overcame difficult conditions in several of its major markets last year to lift attributable profit to R66m ($52m) from R60.8m in 1982.

Sales rose to R553.5m from R494.1m and operating profits to R82.0m from R73.9m. The final dividend is unchanged at 61 cents, bringing the total for last year to 86 cents, the same as in 1982. The dividend cover has been increased from 2.3 times to 2.5 times.

Mr Basil Landau, the company's chairman, said that narrower margins last year had been offset by a rise in sales volumes of some products, productivity improvements, and careful cost control. The buoyant building industry has sustained demand for particle board and structural timber but the market for industrial timber has deteriorated "sharply" and newsprint sales dropped by 5 per cent.

He forecast a small decline in earnings in the first half of 1984, but said that this is likely to be more than offset by an improvement in both domestic and export markets later in the year.

Sappi remains confident that its investment in a R800m pulp and paper mill at Ngodwana in the Eastern Transvaal, the largest project ever undertaken by the private sector in South Africa, will be justified by an upturn in the paper and packaging market

Umal ratifies A$352m takeover offer by BHP

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AT AN extraordinary general meeting yesterday Australia's Umal Consolidated ratified an A$352m (U.S.$317m) takeover agreement with Broken Hill Proprietary (BHP). Shares in Umal will be swapped for units in a major new investment vehicle, the Queensland Coal Trust (QCT).

The establishment of QCT is a key step in BHP's formation of two new Queensland coal consortia, which will inturn facilitate its U.S.$2.4bn purchase of the Utah International resources group from General Electric of the U.S.

BHP's offer to Umal shareholders is due to be dispatched later this week. If acceptances reach at least 90 per cent, as seems certain, Umal shareholders will receive 320 units of A$1 in QCT for every 100 Umal shares held.

In total, Umal shareholders will be entitled to 352m units in the new unit trust, which together with a cash issue will raise A$452m. In addition, the trust plans to borrow US$180m.

At a cost of A$610m, QCT will then acquire a 21.75 per cent stake in each of the consortia being formed by BHP as a result of the Utah deal.

The mines involved have an estimated composite value of about A$2.85bn and in 1982 accounted for exports of 18.64m tonnes, or 53 per cent of total Australian coal exports.

Apart from BHP, GE and QCT, the other shareholders in the proposed consortia are Mitsubishi Development (a subsidiary of Japan's Mitsubishi Corporation), Australian Mutual Provident Society, Bell Resources (a subsidiary of the Perth-based Bell group), and Australia's Pancontinental Mining. QCT will be Australia's first resources unit trust.

Unless extended, the closing date for BHP's takeover of Umal is on or about March 9. The scheduled completion date for the BHP-GE agreement on Utah, and for the purchase by QCT of its stake in the new coal consortia, is April 2. Finally, the target date for the quotation of QCT on all Australian stock exchanges is April 5.

Peking banks set up HK stockbroker

By Robert Cottrell in Hong Kong

TWO Peking-owned banks in Hong Kong have set a stockbroking business, Chung Mao (China Trading) Securities, which plans to deal on two local stock exchanges. The banks, Sin Hua and Po Sang are members of the 14-strong "family" of China-owned banks, led by Bank of China (BOC), operating in Hong Kong. Chung Mao is the first stockbroker to be owned by members of the BOC group.

The setting-up of Chung Mao is one of several deals struck recently in Hong Kong by Peking-affiliated companies, in mid-January, a joint venture of Bank of China and China Resources, acquired effective control of Conic Investment.

At the same time Everbright Industrial, which enjoys Peking support but the nature of whose financial backing has not been disclosed, agreed to pay HK$1bn (US$128m) for eight blocks of flats on Hong Kong Island.

Also last month, Bank of China concluded two-and-a-half years of negotiations with the Government to acquire the site for its HK$1bn new headquarters building in Hong Kong, and China Resources announced that it plans to open a chain of supermarkets in the territory.

The Bank of China group is the second-largest force in Hong Kong's banking sector after the Hongkong and Shanghai Banking Corporation. HSBC moved last year to establish its own stockbroking arm called Mansion House.

Minebea earnings down 55%

TOKYO—Minebea, a leading Japanese ball bearing manufacturer has reported consolidated net earnings down 55.3 per cent to Y1.01bn ($4.3m) for the year ended September from Y2.25bn.

Profits before tax and extraordinary items declined by 39.6 per cent to Y3.3bn while sales rose by 5.5 per cent to Y113.246bn.

Earnings per share slipped to Y4.93 on 203.9m outstanding shares from Y13.51 on 166.3m shares a year earlier. The sharp decline in earnings was due to a currency exchange loss of Y978m, compared to a gain of Y1.9bn in the previous year. Exports accounted for 35 per cent of group bearing sales.

Hitachi, one of Japan's largest electrical and electronic goods manufacturers, is planning to raise some Y80bn ($341m) through a domestic convertible bond issue.

Casio Computer is to make a one-for-10 scrip issue on May 21 to repay premiums on a Y15bn convertible bond issued in 1983. The issue will raise the company's capital to 166.53m shares worth Y8.96bn.

Mitsubishi Electric, the third largest electrical goods manufacturer in the country, has announced plans to expand its video cassette recorder production capacity by 50 per cent to 150,000 units per month as from May. Mitsubishi uses the VHS video format.

The Victor Company of Japan (JVC), the originator of the VHS system, has also announced plans to expand production of VCR's by a third to 400,000 units a month from the end of June. Orders from Zenith Radio of the U.S., which recently switched from the Sony-developed Betamax system to VHS will increase demand. Zenith plans to market up to 40 000 units a month in the U.S.

Agencies

Ambrosiano order extended

BY ALAN FRIEDMAN IN MILAN

THE MANAGERS of Banco Ambrosiano Holding (BAH) in Luxembourg, the main overseas arm of the late Sig Roberto Calvi's Banco Ambrosiano, have received a short extension of their court-appointed administrative control, as reported in some editions yesterday.

The extension comes in advance of the widely expected overall settlement of creditor claims relating to the collapse of the Ambrosiano group.

Touche Ross, the London accountancy firm which has been managing BAH under a Luxembourg legal order, has had its authority extended until February 24.

The accounting firm is, meanwhile, understood to be on the verge of completing the sale of BAH's majority stake in the Lugano-based Banca del Gottardo for around $120m. This transaction is expected to be finalised within the next two weeks.

The proceeds of the disposal of the Gottardo stake are expected to be turned over to creditors of BAH, which defaulted on some $450m of Euromarket loans in 1982.

The major beneficiaries of the Gottardo disposal will be the 88 foreign creditor banks of BAH, led by Midland and National Westminster, which are expected to achieve an overall settlement of around 70 per cent.

According to bankers and others involved in the complex negotiations, IOR, the Vatican bank, is to make a goodwill payment of around $230m as part of the Ambrosiano settlement. IOR, both directly and indirectly, owned several of Sig Calvi's overseas companies.

Exchange rates affect Avon results

BY PAUL TAYLOR IN NEW YORK

AVON Products, the U.S. cosmetics group, has reported a 16 per cent decline last year in net earnings on flat sales for which it blamed the impact of the strong dollar on international door-to-door sales by its Avon representatives.

The company said its net earnings last year fell to $164.4m or $2.21 a share compared with $196.6m or $2.75 a share in 1982 on sales of $3bn in both periods. In the final quarter, Avon reported net income of $67.5m or 91 cents a share on sales of $935.3m compared with net earnings of $83.6m or $1.15 a share on sales of $924.5m in 1982.

Avon said despite higher sales by its "Avon ladies" in local currency terms in all three international regions, foreign currency fluctuations, particularly in Latin America, penalised per share earnings in the fourth quarter by 16 cents a share and by 58 cents a share in the full year, compared with a negative currency impact of 15 cents a share in the 1982 quarter and 41 cents a share in the full year.

Mr Hicks Waldron, Avon chairman, president and chief executive, said: "Although 1983 was a difficult year, we made significant strides in positioning our businesses for improved sales and earnings in 1984, with stronger growth rates soon to follow."

North American quarterly results

ACTIVISION

Third quarter	1983-84	1982-83
	$	$
Revenue	10.2m	50.1m
Net profits	†8.1m	4.7m
Net per share	†0.25	0.16
Nine months		
Revenue	49.6m	112.8m
Net profits	†12m	13.5m
Net per share	†0.38	0.45

† Loss

AIR PRODUCTS

First quarter	1983-84	1982-83
	$	$
Revenue	415.9m	384.5m
Net profits	34.0m	26.4m
Net per share	1.09	0.89

AMERICAN HOSPITAL SUPPLY

Fourth quarter	1983	1982
	$	$
Revenue	824.4m	762.2m
Net profits	53.9m	44.7m
Net per share	0.73	0.63
Year		
Revenue	3.3bn	2.97bn
Net profits	211.9m	170.0m
Net per share	2.86	2.36

AMFAC

Fourth quarter	1983	1982
	$	$
Revenue	590.1m	663.2m
Net profits	†41.7m	17.9m
Net per share	-	1.20
Year		
Revenue	2.25bn	2.07bn
Net profits	†68.03m	34.21m
Net per share	†4.70	2.27

† Loss

ARMSTRONG WORLD INDUSTRIES

Fourth quarter	1983	1982
	$	$
Revenue	356.1m	311.7m
Net profits	13.15m	3.44m
Net per share	0.52	0.14
Year		
Revenue	1.44bn	1.29bn
Net profits	62.13m	19.81m
Net per share	2.53	0.79

AVNET

Second quarter	1983-84	1982-83
	$	$
Revenue	395.8m	266.1m
Net profits	21.26m	11.71m
Net per share	0.60	0.33
Six months		
Revenue	751.2m	541m
Net profits	39.94m	23.97m
Net per share	1.13	0.68

BIG THREE INDUSTRIES

Fourth quarter	1983	1982
	$	$
Revenue	178.1m	174.9m
Net profits	10.6m	16m
Net per share	0.25	0.38
Year		
Revenue	668.6m	767.8m
Net profits	45.3m	86.8m
Net per share	1.07	2.05

BORDEN

Fourth quarter	1983	1982
	$	$
Revenue	1.17bn	1.09bn
Net profits	52.45m	42.72m
Net per share	1.83	1.50
Year		
Revenue	4.26bn	4.11bn
Net profits	189.07m	165.86m
Net per share	6.56	5.81

BROWNING-FERRIS INDUSTRIES

First quarter	1983-84	1982-83
	$	$
Revenue	233.1m	201.8m
Net profits	22.3m	18.8m
Net per share	0.66	0.57

CAPITAL CITIES COMMUNICATIONS

Fourth quarter	1983	1982
	$	$
Revenue	214.1m	182.6m
Net profits	34.7m	28.1m
Net per share	2.59	2.10
Year		
Revenue	762.3m	663.6m
Net profits	114.7m	96.3m
Net per share	8.53	7.25

CENTEL

Fourth quarter	1983	1982
	$	$
Revenue	341.7m	312m
Net profits	28m	26.5m
Net per share	1.01	0.97

CLARK EQUIPMENT

Fourth quarter	1983	1982
	$	$
Revenue	239.8m	217.0m
Net profits	8.4m	9.3m
Net per share	0.58	0.76
Year		
Revenue	862.4m	1.02bn
Net profits	12.4m	†154.5m
Net per share	0.86	†12.10

† Loss

COX COMMUNICATIONS

Fourth quarter	1983	1982
	$	$
Revenue	172.6m	146.2m
Net profits	25.4m	18m
Net per share	0.90	0.64
Year		
Revenue	614.6m	514.7m
Net profits	78m	65.4m
Net per share	2.75	2.31

DIEBOLD

Fourth quarter	1983	1982
	$	$
Revenue	122.9m	103.9m
Net profits	16.64m	9.96m
Net per share	1.91	1.15
Year		
Revenue	445.9m	427.6m
Net profits	49.14m	41.5m
Net per share	5.65	4.80

DOW JONES

Fourth quarter	1983	1982
	$	$
Revenue	233.7m	197.6m
Net profits	33.47m	24.37m
Net per share	0.52	0.38
Year		
Revenue	866.4m	730.7m
Net profits	114.2m	88.1m
Net per share	1.79	1.39

DUN & BRADSTREET

Fourth quarter	1983	1982
	$	$
Revenue	439.4m	386.7m
Net profits	42.7m	37.2m
Net per share	0.76	0.58
Year		
Revenue	1.61bn	1.46bn
Net profits	167.4m	142.1m
Net per share	2.97	2.53

DU PONT CANADA

Fourth quarter	1983	1982
	C$	C$
Revenue	297.5m	231.7m
Op. net profits	12.5m	†449,000
Op. net per share	1.57	†0.06
Year		
Revenue	1.12bn	980m
Op. net profits	35.2m	†7.4m
Op. net per share	4.44	†0.96

† Loss

E-SYSTEMS

Fourth quarter	1983	1982
	$	$
Revenue	208.3m	190.2m
Net profits	14.1m	10.3m
Net per share	0.46	0.34
Year		
Revenue	826.8m	754.4m
Net profits	55.2m	35.8m
Net per share	1.82	1.21

FEDERAL-MOGUL

Fourth quarter	1983	1982
	$	$
Revenue	188.8m	154.4m
Net profits	7.44m	4.86m
Net per share	0.55	0.38
Year		
Revenue	747m	735.3m
Net profits	41.07m	28.41m
Net per share	3.10	2.20

FLORIDA POWER & LIGHT

Fourth quarter	1983	1982
	$	$
Revenue	826m	688.2m
Net profits	53.48m	60.15m
Net per share	0.76	1.0
Year		
Revenue	3.35bn	2.94bn
Net profits	313.96m	286.72m
Net per share	5.02	4.77

GEORGIA-PACIFIC

Fourth quarter	1983	1982
	$	$
Revenue	1.64bn	1.37bn
Net profits	16.0m	†99.0m
Net per share	0.15	†0.94

HAMMERMILL PAPER

Fourth quarter	1983	1982
	$	$
Revenue	538.9m	424.9m
Net profits	18.5m	8.7m
Net per share	1.95	0.83
Year		
Revenue	1.82bn	1.38bn
Net profits	32.5m	33.9m
Net per share	3.25	3.49

MACLEAN HUNTER

Fourth quarter	1983	1982
	C$	C$
Revenue	196.3m	153.3m
Op. profits	13.05m	7.48m
Op. per share	0.37	0.25
Year		
Revenue	634.1m	524.9m
Op. profits	33.91m	20.84m
Op. per share	1.03	0.71

MAYTAG

Fourth quarter	1983	1982
	$	$
Revenue	141.3m	120m
Net profits	14.8m	8.7m
Net per share	1.06	0.63
Year		
Revenue	597m	440.8m
Net profits	60.7m	37.1m
Net per share	4.37	2.83

MCDONALD'S

Fourth quarter	1983	1982
	$	$
Revenue	2.26bn	1.95bn
Net profits	79.9m	68.5m
Net per share	1.35	1.14
Year		
Revenue	8.67bn	7.81bn
Net profits	342.6m	300.6m
Net per share	5.74	5.00

MCKESSON

Third quarter	1983-84	1982-83
	$	$
Revenue	1.14bn	1.01bn
Op. profits	17.2m	19.02m
Op. per share	0.91	0.86
Nine months		
Revenue	3.18bn	2.88bn
Op. profits	49.44m	43.28m
Op. per share	2.55	2.38

MILTON BRADLEY

Fourth quarter	1983	1982
	$	$
Revenue	117m	98.4m
Op. profits	3.85m	4.41m
Op. per share	0.52	0.58
Year		
Revenue	337m	343.5m
Op. profits	11.55m	20.61m
Op. per share	1.38	2.79

NALCO CHEMICAL

Fourth quarter	1983	1982
	$	$
Revenue	170.1m	158.9m
Net profits	17.5m	8.7m
Net per share	0.44	0.22
Year		
Revenue	659.4m	643.9m
Net profits	71m	58.1m
Net per share	1.78	1.46

OGDEN

Fourth quarter	1983	1982
	$	$
Revenue	473.4m	424.2m
Net profits	11.66m	8.94m
Net per share	0.61	0.47
Year		
Revenue	1.73bn	1.8bn
Net profits	52.98m	38.47m
Net per share	2.74	2.01

ROADWAY SERVICES

Fourth quarter	1983	1982
	$	$
Revenue	410.6m	353.3m
Net profits	32m	24.7m
Net per share	1.59	1.24
Year		
Revenue	1.25bn	1.14bn
Net profits	99.2m	76.2m
Net per share	4.94	3.83

ZAPATA CORPORATION

First quarter	1983-84	1982-83
	$	$
Revenue	92.6m	125.8m
Net profits	11.4m	20.9m
Net per share	0.59	1.08

Singapore sets sights on developing financial futures links abroad

BY CHRIS SHERWELL IN SINGAPORE

FOR MOST of last year, an atmosphere of spirited efficiency hovered over the officials who conceived and are responsible for setting up the Singapore financial futures exchange. Since December, however, when a formal start-up deadline of May 2 was announced, a climate of grim urgency has set in.

Work is now going hard ahead on the conversion of a cavernous section of the World Trade Centre into the new exchange, known as the Singapore International Monetary Exchange, or Simex. A campaign is also under way both to build up its corporate membership and to recruit the all - important individual members known (as in Chicago) as "locals."

Scarcely a week goes by without more details being worked out by Simex's nine committees over the terms of membership or recruitment incentives, or details of the three contracts to be traded—Eurodollar interest rates, yen/U.S. dollars exchanges rates and gold—and proposals for fees, commissions and taxation.

Officials and participants admit that a slow start is likely for Simex—that it will take time to establish itself. But they also acknowledge ruefully that it must be up and running from Day-One—that if the markets lack interest or, worse, if the mechanics do not work, all could be lost.

For Singapore, which sees itself as an important financial centre, the establishment of Simex is thus a testing challenge. The Government, in the form of the Monetary Authority of Singapore (MAS), the city state's tough-minded quasi-central bank, has invested money and prestige as well as time and trouble in an effort to ensure Simex's success, and it does not want people to sit back waiting to see what happens.

Simex is also important for futures exchanges generally. Its establishment is encouraging similar moves in Hong Kong and Sydney, and its link with the International Monetary Market of the Chicago Mercantile Exchange (CME), which will help the CME as well as enhance Simex's prospects, another step towards round-the-world futures trading.

Singapore's Chicago link was agreed in priciple last July after more than a year of discussion, but details still have to be approved by the U.S. Commodity Futures Trading Commission. This is confidently expected in both Singapore and Chicago. Susan Phillips, CFTC's chairman, spent two days in Singapore last week scrutinising Simex's proposed monitoring and compliance systems, designed to ensure the exchange's financial integrity under the precedent-setting "mutual offset" system.

Under this system—which one foreign banker in Singapore describes as "a real brainwave"—members can establish new postitions on either exchange and can offset open positions traded on either exchange with opposite positions on the other. This reduces the risks for traders and their customers and cuts transaction costs.

It will also increase the liquidity of Simex. However, this will probably be determined more crucially by the size of its Singapore membership and the attractiveness of its contracts, and it is on these issues—especially the former—that most worries have been expressed.

The success of futures exchanges hinges on the volatility of the commodities traded. Thus, of the three contracts to be traded on Simex, gold is currently reckoned to have the dimmest prospects, even though the CME hopes the Simex link will breathe new life into a sector which has suffered through a relative lack of interest and from potent competition from Comex in New York. The question of delivery has at last been settled—it will be in London.

Similarly, the U.S. dollar/yen foreign exchange contract is likely to be of specialised interest to traders with Japan and holders of yen securities, and will be of only partial interest to those who do not do the other half of their Japanese business in U.S. dollars. But the hope is that Japanese banks will use the market.

The World Trade Centre, where work is now going ahead on converting a large section into Simex.

Most attention is expected to focus on the interest rate contract, which is based on three-month Eurodollars. While three contracts—reckoned to be the minimum necessary for a futures exchange—have now been chosen, others are under scrutiny, notably a stock index futures contract based on the Japanese markets, and a crude oil futures contract.

The effort to encourage Simex membership is building up in an attempt to fill the target of 300 seats. By mid-January, eight clearing members had been approved and added to the 16 founder members which formed the Singapore Gold Clearing House which served Simex's predecessor, the Singapore Gold Exchange. With another half-dozen applications for clearing membership now being considered, a total of 40 (each with three seats) is expected by May.

All Simex transactions will have to be cleared through these members, which will form a common bond system and be paired with CME clearers so that all contracts are guaranteed and clearers' assets can make good any clearing house losses. Simex has ruled, after much deliberation, that clearers must maintain an "adjusted net capital" of S$2m (US$95m or so) in liquid form, and that additional capital may be required "based on volume, type of positions carried, margin policies and the nature of business."

Non-clearing corporate members of Simex, the second category of membership, will have no share in Simex (clearers subscribe one share) and will face higher transaction costs. But, like the clearers, they will have three seats each at S$50.000 a seat and will broke and trade for their own accounts. They will have to maintain adjusted net capital of S$1m.

A key concern remains unresolved: the question of taxation on futures dealings. Simex officials are tight-lipped about their proposals to the Inland Revenue Department for fear of jeopardising the outcome, even though they have MAS backing. A decision has been promised since before Christmas and some potential members will not decide until they know the verdict.

While they wait, the problem of recruiting "locals" remains a worry for all. These are the individual members of the exchange who are prepared to accept the risks others want to cover, and Simex wants 120-150 of them. It says it is looking for "adults of good moral character, reputation and business integrity."

In the view of the optimists, Simex needs only 50 active "locals" on Day-One, and just one well-functioning contract (for interest rate futures) to get off to a good start. The pessimists tend to see in the establishment of Simex all that is good and bad in Singapore's approach to such matters: on the one hand cautious, methodical planning with a flash of ingenuity, as with the Chicago link; on the other hand the portrayal of an operation as independent and self-regulated when it is heavily inspired from above, with the MAS looming very large.

Shock waves from the courts for the world of books and trademarks

By A. H. HERMANN, Legal Correspondent

A BUSINESS lawyer's life would probably be too dull if courts did not stir things up from time to time. Thus, the House of Lords sent a shock wave through the trademark world when it placed "character merchandising" beyond the pale last week, and in the preceding week the European Court made the earth rumble under Europe's book trade.

The long and the short of the House of Lords judgment* is that if you print a Mickey Mouse picture on a tee-shirt you will still expose yourself to a copyright infringement suit by Walt Disney Productions, but if you adorn the shirt with the name only, or such words as Coca-Cola or White Horse you can now feel safe from a trade-mark infringement action.

To sell consumer goods by means of well-known, but unconnected, trademarks became big business only recently. It was unknown at the time Parliament enacted, in 1937, what is now Section 28 of the Trade Marks Act 1938, providing that the Registrar of Trademarks shall refuse an application if it appears to him that the grant would facilitate *trafficking* in a trade mark. Until now, no-one knew exactly what was meant by this word, although there was justified suspicion that it was not a nice thing to do, since the Registrar was encouraged to prevent it.

The Registrar seized on the opportunity to show his vigilance when presented with an application to register a trade-mark together with 12 licensing agreements relating to 12 different classes of goods. The trademark was "Holly Hobbie," the name of a little girl in a pinafore dress.

The name and picture captured the imagination of the public in the U.S., where the applicants for the British trade-mark use it on greetings cards and a small range of other goods. They must have had some success, as one of the licensees in the UK was prepared to pay a minimum of $300,000 in royalties for the first eight years of using it on toys worldwide, despite the exclusion of the U.S., Canada and Japan from the deal.

The Registrar refused to grant the trademark because it appeared to him that this was a case of dealing with the trade-mark as a commodity in its own right and not primarily for the purpose of identifying or promoting merchandise in which the trademark proprietor was interested. It therefore fell under the proscribed trafficking. His view was confirmed in the Court of Appeal.

The view also received the blessing of unanimous Law Lords when the case reached them on further appeal. Lord Brightman, who delivered the leading speech, made it clear that the reservation of quality control by the trademark owner (made in the proposed licensing agreement) was not sufficient to establish the required connection between the trademark owner and the product. "I can discern no general rule that the mere ability to control quality is always to be sufficient to establish the required connection. In fact, the quality control exercisable in the cases before us . . . is slight."

Lord Bridge, however, agreed with the judgment most reluctantly. He thought that the purpose of the legislation was to protect the public from deception and that character merchandising deceived nobody. "No one who buys a Mickey Mouse shirt supposes that the quality of the shirt owes anything to Walt Disney Productions." He thought that Section 28 (6) of the 1938 Act should be repealed, and the sooner the better.

In the meantime, however, trademark offices and courts are likely to be kept busy by those who attack, or feel free to use, trademarks deprived of protection by the judgment; and this not only in the UK but also in those countries of the Commonwealth which have modelled their trademark law on the 1938 Act.

* * *

THE RUMBLINGS under the ground on which the book trade rests were caused by the European Court while it was helping the Commission to lay a minefield designed sooner or later to put an end to retail price maintenance (RPM) for books, which is widely practised throughout Europe.

In the UK books and pharmaceutical products are exempt from the general prohibition of retail price maintenance. Indeed, the Net Book Agreement was the cause célèbre in which the Registrar of Restrictive Practices (predecessor of the Director-General of Fair Trading) was defeated in the Restrictive Practices Court even before the RPM prohibition was enacted.

The arguments used in favour of RPM on books were that it enabled bookshops with large stocks to finance the distribution of specialist and highbrow books from their profit margins on bestsellers. The prohibition of RPM it was said, would force many such bookshops to close. This, in turn, would make the publishing of books more risky and would reduce the print runs, certainly for first editions.

The publishers and booksellers argued that abolishing RPM would result in fewer and less varied titles being published and in higher prices for books. The Restrictive Practices Court accepted these arguments and held that in the book trade RPM was not against the public interest.

The EEC Commission does not seem to share this view, but so far it has not felt in a position to attack the book trade in France, Germany or the UK where, it goes without saying, book production is of great international importance. Instead, it chose as its target an agreement between the Dutch book trade association and that of the Flemish (Dutch reading) part of Belgium. These two organisations concluded in 1949 an agreement introducing a system of "published prices" for books, a mutual exclusivity of dealing so that trade could move only between members of the two organisations, and establishing a commission supervising the operation of the agreement. As an ultimate sanction a publisher, wholesaler or bookseller could be expelled from the organisation and thus excluded from trading.

The agreement was notified to the EEC Commission 22 years ago, on February 6 1962. After pondering it for 15 years the Commission opened an investigation in 1977 and condemned the agreement after a further five years, in 1982. One would have said that it had ample time to study the merits of RPM for books.

Indeed, much has changed in the book trade since RPM was introduced. It is at least arguable that the new forms of distribution of specialist and expensive books, such as by direct mail or on a "sell or return" basis, the emergence of book clubs, and the new routine of publishing cheap paperbacks simultaneously with hardbacks, which are now bought mainly by libraries, have weakened the need for RPM. But neither the Commission nor the court, which has now rejected the appeal against the Commission's decision, wanted to get involved with the national systems of the book trade.

The court concluded† that whatever might be the advantage of a national system of RPM for books, a "transitional" system was not necessary for the improvement of production and distribution and did not, therefore, qualify for an exemption under Article 85/3. But the court did not explain how it arrived at the conclusion that this transnational system was anti-competitive and, therefore, prohibited in the first place. It refused to consider the effects which RPM had on competition within a national system.

Does this mean that RPM, which might contribute to the competitiveness, or at least be neutral within the Dutch system, would suddenly become anti-competitive when the two systems are linked together? The judgment does mention the possibility that the linking of the two systems prevents parallel exports, but this does not answer the question what effect parallel exports, or irregular sales within a national system, have on competition.

Whatever the answer might be to these questions, the court did not provide it and decided the case on what it calls "formal" grounds, bypassing the "rule of reason" and treating Article 85/1 as a *per se* prohibition. The judgment is unconvincing but leaves open to the Commission and the court the possibility of attacking the national systems of RPM for books in the future.

* *Re 12 applications by American Greetings Corporation, FT Commercial Law Report, January 31 1984.*

† *Joint cases 43/82 and 63/82, De Vereeniging Ter Bevordering van Het Vlaamsche Boekwezen and another v the EEC Commision, judgment January 17 1984, will be reported in the February issue of the FT Business Law Brief.*

UK COMPANY NEWS

Prestige expands and lifts dividend

THERE WAS a slowdown in growth in the second half at Prestige, the housewares manufacturer, but the full year 1983 still showed an increase in profit of £1.28m to £6.74m. The final dividend is lifted to 5.25p for a total of 8.25p, compared with 6.875p in 1982. Last September shareholders also received a special payment of 27.5p on account of the size of the liquid resources.

Most of the major reorganisation is completed, the directors report. They feel the group is well placed to further improve sales and profits during 1984, and "advance its dominant position in the houseware industry." American Home Products holds around 73 per cent of the Prestige capital, and has announced the possibility that it will sell its entire housewares operation.

Research and development continued to play a key role in the growth, and increased by 13 per cent over 1982 in the development of new products and processes. This included the new pressure cooker range with its unique cook control device.

The directors state that previous volume decline has been halted by stabilising prices on major products and increasing media advertising, which in turn was made possible by the implementation of major cost savings.

In the year turnover rose by £7.14m to £62.97m, and produced a gross profit some £3.56m higher at £22.44m. After tax £3.03m (£2.21m) the net profit came out at £3.71m (£3.25m)—last year there was an extraordinary debit of £445,000. Earnings per share are shown at 20.2p (17.8p).

Cash in hand and short-term deposits (net of bank overdrafts) at the end of December stood at £2.67m, after payment of the extraordinary dividend. Current asset to liability ratio "remains healthy" at 2.6.

Manufacturing rationalisations have been implemented, with resultant savings and efficiencies. The new direct distribution service with its stronger in-store presence using hand computer terminals has been a success in the UK and will be developed internationally.

The management team was strengthened during the year with the recruitment of several professional managers with expertise in their particular fields.

● comment

Prestige's 23.5 per cent increase in pre-tax profits puts it just a whisker ahead of its previous record set five years ago and confirms that it is pulling strongly out of the doldrums. Certainly, a new management team has something to do with it, and American Home Products' decision to put its 73 per cent stake up for grabs must have sharpened their minds wonderfully. After a steady three-year decline in volumes, Prestige held prices firmly in check this time and saw sales bounce back by 13 per cent. Production efficiencies, meanwhile, have seen margins widen by a percentage point to 10.7 per cent of turnover. Following the £5m extraordinary dividend made at the interim stage, cash balances have recovered to £2.8m, but this time the directors are looking for a rather different way to spend them. At yesterday's price of 255p, up 5p, the group is capitalised at £46m, so any management buy-out would doubtless need substantial outside support.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Christie-Tyler, F.I.I. Ltd, Kinta Kellas Rubber Estates, Malaysia Rubber, Tottenham Hotspur.

Final: Blundell-Permoglaze

FUTURE DATES

Interims—	
Dale Electric International	Feb 9
Howard Shuttering	Feb 7
M L Holdings	Feb 7
Stothert and Pitt	Feb 24
Finals—	
Aaronson Bros.	Feb 7
Barclays Bank	Mar 5
Bath and Portland	Feb 22
Crouch (Derek)	Mar 2
Dew (George)	Feb 7
Miss World	†Feb 28
Sandvik Aktiebolag	Feb 10
Vantona Viyella	Feb 7

† Amended.

Globe's net asset value 7% ahead at 307.7p

A 7.1 PER CENT increase in the basic net asset value per 25p share was achieved by Globe Investment Trust in the three months ending December 31, 1983.

The value of 307.65p compares with 287.24p at the end of last September and 252.5p a year ago, equal to an annual rise of 22.1 per cent. On a fully diluted basis the NAV during the three-month period moved ahead from 273.54p to 292.24p.

The third quarter's performance, the directors state, would have been even better but for the easing of British Petroleum's share price, one of the company's largest holdings. They add that, while initial drilling results from Alaska and the South China Sea have been disappointing for BP, the company continues to feel that the oil sector offers good value relatively and is maintaining its holding.

Pre-tax profits for the nine months to December 31 rose from £15.01m to £15.66m after other companies' losses of £459,000 (£375,000). For the year as a whole the company estimates that its subsidiaries will turn in a small loss.

Tax charge for the nine months was £5.59m (£5.64m) after which basic earnings are given as 6.15p (5.72p) and fully diluted at 6.06p (5.66p).

The directors point out that Tyndall Group is now worth substantially more than the company paid for it in 1980. Globe is accordingly exploring ways of attributing a truer value to the business in the calculation of its net asset value.

Globe International, through its New York subsidiary, has acquired four North American institutional clients. The most recent acquisition being the State of Oregon public employees' retirement system.

Associated Fisheries better than forecast and raises payment

Associated Fisheries finished the year to September 30 1983 well ahead of forecast. It was helped in this by a Government grant to aid the fishing industry and by an improved performance from its other activities, which more than offset heavy trawling losses and a fall in food processing profits.

Turnover for the 12 months rose from £69.23m to £73.15m and the group's pre-tax result advanced £714,000 to £2.57m. At the interim stage profits were £610,000 higher at £1m and the directors said an outcome of £1.85m should again be attainable for the year.

Yearly earnings increased from 10.01p to 10.58p per 25p share and the final dividend payment is 2.25p for a 2.5p (2.25p) total.

The cost of sales amounted to £61.02m (£55.71m) for a gross profit of £12.14m (£13.51m), and after net operating expenses of £10.06m (£12m) operating profits expanded from £1.51m to £2.07m.

These, however, included the £521,000 Government grant this time, without which the result showed only a marginal improvement at £1.55m (£1.51m).

The pre-tax figure included a £104,000 (£49,000) contribution from share of associates and investment income of £852,000 (£850,000). It was after interest of £461,000 (£552,000) and subject to tax of £671,000 (£57,000).

There were minority interests of £12,000 (same) and extraordinary items of £176,000 (£783,000) which left the attributable balance up from £1m to £1.71m.

The directors report that it is intended to implement an accelerated disposal programme as to five of the group's six remaining freezer vessels in British United Trawlers. Application for decommissioning grants in respect of these has recently been made under the fishing vessels (financial assistance) scheme.

They add that a satisfactory level of financial liquidity was maintained throughout the year under review.

● comment

A casualty of the cod war and the oil crisis of a decade ago, AF is now heading for much richer waters on its present course. Once it completes its planned ship sales, the loss-making trawler activities will comprise a single profitable freezer vessel and 11 so-called "wets," which have a good chance of returning to the black if fish prices hold up. If so, the company will at last have thrown off the albatross of heavy trawling losses hanging round its neck, leaving a handsome pile of cash and a string of profitable on-shore businesses, most of which are fish-related. While the temporary UK government subsidy will not likely be repeated, there is a good chance of some UK/EEC restructuring grants to add some further spice. Overriding this somewhat bullish outlook lies one uncertainty—the intentions of Eastern Produce, the largest single shareholder with a stake of more than 40 per cent. With its tea interests on the boil EP is certainly flush enough to consider a full bid for a company whose net asset value is conservatively valued at around 135p. AF's 87p shares are selling on a p/e of 8 (stated earnings) while the yield is 4 per cent—a rating which appears to be based on past performance rather than immediate prospects.

LDH moves ahead to £91,000 at midway

PRE-TAX PROFITS of LDH Group, formerly Lowland Drapery Holdings, rose to £91,000 for the first half to November 30 1983, compared with £90,000. A proposed capital reconstruction should be finalised soon, enabling the company to return to the dividend list.

The directors welcome the "major improvement" in performance and are confident of an equivalent profit for the second half. Taxable profits for the previous year totalled £96,000.

The interim advance was achieved on a turnover of £2.34m. This compares with £1.47m, excluding £1.14m relating to discontinued activities.

The group's emphasis will be on developing its electronics activities while investigating potential acquisitions.

Its subsidiary, GMB Total Communications, acquired in May 1983, began contributing towards the end of the half year. S. Ross and Co, upholstery fabric distributor, continues to perform well in the group.

Tax for the first six months took £40,000 (nil). Last time there was an extraordinary loss of £350,000 representing trading losses of Scottish subsidiaries in receivership, and a provision to cover losses arising from receivership. Earnings per 25p share were 0.77p (0.75p).

● comment

Few companies can have chosen such a painful route to a public quote as LDH. When family-owned drapery distributor S. Ross reversed into the listed souvenir and drapery supplies group Lowland in 1981, the directors had no idea that it would cost £700,000 to get shot of what turned out to be a disastrous business. Three years later, LDH has at last emerged in its true colours, with its first trading period free from Lowland's losses and extraordinary costs. It looks as if the remaining core drapery activities made a static contribution of £150,000, taking into account the £150,000 Lowland lost in the comparable period and a first time loss of £50,000 from GMB Total Communications. The electronics acquisition does not sit as strangely with Ross as it at first seems, since they are both in distribution and the mature textiles business could do with a spot of pep. GMB's loss can be put down to takeover disruption, since when it has landed useful contracts with Plessey and Motorola in the expanding private telephone industry. The shares were up 1p at 32p, where LDH is capitalised at £2m.

M & G Dual payment above expectations

A better than forecast dividend has been declared by M & G Dual Trust, with a final payment of 13.25p net lifting the total distribution for the year to December 31 1983 from 21.75p to 23.25p.

At midterm the directors forecast a final of at least 12.8p. Group pre-tax revenue for the period under review expanded from £1.79m to £1.9m; a second six months increase from £1.01m to £1.08m following an advance from £775,000 to £821,000 in the first half.

The year's tax charge absorbed £571,000, compared with £537,000, and after this the net balance came through £82,000 higher at £1.33m.

Tate & Lyle maintaining upward profits trend

IN HIS FIRST annual statement as chairman of Tate & Lyle, Mr Robert Haslam says that the group is maintaining its strong upward trend in profits. As reported on January 19, pre-tax profits for the 53 weeks to October 1 1983 increased by 43 per cent to a record £57.3m.

He points out that as important as the improvement in the profit figures is the change in the quality of the group's earnings over recent years. Five years ago more than half were generated by commodity trading. Last year, he says, over 75 per cent of profits were derived from the company's UK and North American manufacturing businesses.

A breakdown of directors and employee remunerations shows that the highest paid director received a 32 per cent pay rise over the accounting period. His salary rose from £103,000 to £136,000.

One more director, bringing the total to five, joined the £90,000 to £95,000 bracket. Also, the number of employees earning more than £30,000 per annum rose by seven to 26, with one person earning more than £55,000.

Looking at employee involvement, Tate and Lyle announces that six members will join the Trustee body in April. The group will also provide over 140 high quality training places for school leavers in the coming year either through the Youth Training Scheme, traditional apprenticeships of other schemes.

Encouraging start by Chas. Baynes

The traditional engineering business of Charles Baynes in the first quarter was "most encouraging," Mr Peter Dellar, chairman, told the annual general meeting. Export orders have been high.

The company, which makes hacksaw blades and die cushion equipment, had diversified in industrial cleaning and each of the newly-acquired cleaning companies were reported to be trading above expectation.

Mr Dellar said shareholders would see the benefits of diversification in interim results at the end of March.

Mr Dellar said he was confident about the year's results and the company would explore further acquisition.

Capital reconstruction by Electronic Machine

The directors of Electronic Machine Co are proposing, at an EGM to be held on February 24, to cancel the company's share premium account and to reduce the capital so as to eliminate the accumulated deficit, which at September 30 1983 amounted to £653,257.

They say this action will enable the company to consider the payment of dividends sooner than it would otherwise be able to do under the provisions of the Companies Act.

The proposed reduction involves cancelling the £245,869 standing to the credit of the share premium account and reducing the nominal value of all the ordinary shares from 25p to 5p each. Upon the capital reduction taking effect, it is intended that the authorised capital should be restored to its former amount of £700,000.

As the reduction will be for an amount in excess of that required to eliminate the deficit on profit and loss account, the company proposes to undertake that such excess (which will include the surplus over cost arising on the Thornton Heath property disposal) will not be treated as a realised profit. It will therefore not be available for distribution to shareholders in the immediate future.

Contracts have been exchanged for the sale of the major part of the freehold property at Thornton Heath, formerly occupied by Ellis Optical, for a net consideration of some £200,000.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Assoc Fisheries	2.25	April 10	2	2.5	2.25
Kellock Trust	0.35‖	April 25	0.43	0.35‖	0.43
M&G Dual	13.25	—	12.35	23.25	21.75
Prestige Group	5.25	—	4.38	8.25¶	6.88

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted companies.
¶ Shareholders also received 27.5p special from liquid resources.
‖ In line with revised dividend policy.

Fleming Technology

Net asset value per 25p share of Fleming Technology Investment Trust rose from 163p to 176.9p in the six months to November 30 1983. At the end of the corresponding period the value was 133.3p.

Franked investment income for the period was £529,806 (£533,974) and unfranked £160,282 (£144,997). Deposit interest and underwriting was £72,716 (£69,448) and interest £13,850 (£14,023). After tax of £232,546 (£240,260) profit available for ordinary shareholders emerged at £434,528 (£447,150). Earnings per share amounted to 1.1p (1.13p).

MINING NEWS

UK COMPANY NEWS

Falconbridge back to profits in the fourth quarter

BY KENNETH MARSTON, MINING EDITOR

CANADA'S nickel-producing Falconbridge returned to profitability in the final quarter of last year with earnings of C$12.1m (£6.9m). This was the first quarterly profit since the third quarter of 1981.

The latest result came after progressive reductions in the previous three quarters' losses and left the company with a total loss for 1983 of C$18.4m, or C$2.71 per share. However, this was before an extraordinary gain of C$14.8m resulting from a share issue by Kiena Gold Mines in which Falconbridge did not participate.

Consequently, the company came out of 1983 with a net loss of C$3.5m compared with a loss of C$85.3m for 1982 when losses steadily mounted in each quarter.

Mr Bill James, the Falconbridge president, said that the improvement was largely a result of reduced spending on shutdowns and exploration, sales from stocks and higher productivity.

There was also "a no-frills operation throughout the entire organisation. These factors plus increases in sales volumes more than offset a decline in the average price for nickel," he added.

It will now be interesting to see how the major nickel producer, Inco, has fared in the final quarter of 1983.

After losing US$76.9m in the first quarter, Inco reduced its loss for the second quarter to $39.7m, but tax adjustments relating to prior years increased the third quarter loss to $72.1m. The company lost a total $204.2m in 1982.

Alaskan gold deposit to start production in May

A GROUP of Canadian mining companies plans to bring a gold deposit at Valdez Creek on the southern flank of the Alaska Range, 270 miles north-east of Anchorage, into production in May.

The deposit is composed of alluvial gravels which will be mined by open-pit methods, and is somewhat out of the ordinary in that much of the gold contained in it occurs in the form of fair-sized nuggets. These command a premium over the actual gold content when used in jewellery.

Valdez Creek is owned as to 35 per cent by Camindex Mines, with Barrick Resources and Talcorp each holding 25 per cent and the remaining 15 per cent held by Sullivan Mines. The last-named will act as operator.

The joint venture partners have so far outlined a total of 512,919 cubic yards of proven and probable reserves, containing an estimated 74,282 ounces of gold. Some of the glacial material covering the deposit contains an additional amount of low-grade reserves.

A total of 192,000 cubic yards of gravels will be treated in the first year of operation to produce some 28,000 oz of gold.

Sullivan Mines estimates operating costs at U.S.$113 per ounce, and believes that the mine could cover its capital costs and generate a positive cash flow of perhaps $2.2m (£1.6m) in its first year provided the gold price averages $380 per ounce.

MINING NEWS IN BRIEF

THE BIG Belle Ayr and Eagle Butte coal mines in Wyoming produced and shipped a record combined tonnage in 1983, according to Amax. Production from the two mines reached 24.8m tonnes, comfortably ahead of the previous record of 24.5m tonnes achieved in 1980.

Total coal production from Amax Coal Corporation last year was around 40m tonnes, just under the 1980 record of 40.54m tonnes but still sufficient to keep the company in its position as the third biggest coal producer in the U.S.

Net profits of South Africa's Trans-Natal Coal Corporation for the three months to end-December was R10.86m (£6.07m), slightly below the previous quarter's R11.69m. This brings the total for the first half of the financial year to R22.56m, compared with R22.33m at the same stage of the previous year.

Trans-Natal Coal is part of the Gencor group.

Oceana profit up to £1m

The sale of a further 1m shares in LRC International has had a favourable effect on the half year's results of Oceana Consolidated Company, which trades principally as an investment trust.

Total realised gains for the six months ended September 30 1983 have expanded from £60,283 to £1,031,579, and helped push up the pre-tax profit from £89,463 to £1,100,666.

The directors report that the underlying trend of dividend and other realised gains remains firmly upwards. They have continued to broaden the company's portfolio in line with previous indications, developing a substantial and better balanced list of Stock Exchange investments. The current holding in LRC is 1.2m shares.

Tax for the six months absorbs £298,173 (£35,226) and minorities take £562 (£759), to leave the net profit at £801,931 (£53,478) and earnings at 16.92p (1.31p).

As for the full year 1983-84, the directors hope to report further progress against the background of favourable market conditions.

R.E.A. Holdings to pay 1p

The directors of R.E.A. Holdings consider the current position of the group "to be most encouraging." They are not declaring an interim dividend, but re-affirm their intention of paying 1p net for the year.

The group came into being last October on the merger of Crosby House Group and Rightwise. Interim figures for the six months ended June 30 1983 are released, but it is pointed out that they cover the period before the significant reorganisation.

Current cost figures for the half year show turnover up from £12.67m to £15.78m. The pre-tax profit came out at £166,000, compared with £68,000, and was analysed as follows: Rubber trading £62,000 (£57,000); freight and handling £18,000 (£179,000)—the freight forwarding side has since been sold to management as it no longer formed an essential part of the business; plantations £326,000 (£15,000); head office costs £23,000 (£19,000); gearing adjustment £25,000 (£16,000); interest charge £242,000 (£180,000).

There was a loss attributable to shareholders of £40,000 (£18,000 profit) equal to 2.9p (1.4p earnings) per share. On a historical cost basis the profit before tax was £214,000. (£95,000).

LADBROKE INDEX
828-832 (−4)
Based on FT Index
Tel: 01-493 5261

Public Works Loan Board rates

Effective February 1

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 3	9¾	9½	10¼	11¾	11½	11¾
Over 3, up to 4	10¼	10¼	10¾	11⅞	11½	11½
Over 4, up to 5	10⅜	10⅛	11	11⅜	11½	11⅞
Over 5, up to 6	10⅞	10½	11⅛	11⅜	11⅞	11⅝
Over 6, up to 7	10⅞	10⅞	11⅛	11½	11⅞	11½
Over 7, up to 8	10¾	11	11¼	11⅞	11⅞	11¾
Over 8, up to 9	10⅞	11	11⅝	11⅞	11⅝	11⅝
Over 9, up to 10	11	11⅛	11¾	11⅜	11¾	11⅝
Over 10, up to 15	11⅛	11⅛	11½	11⅝	11⅞	11⅞
Over 15, up to 25	10⅞	10⅞	10⅞	11⅜	11⅜	10⅞
Over 25	10⅞	10⅞	10⅞	11	11	10⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Kellock Tst. payout in line with new policy

In line with its new dividend policy, Kellock Trust is paying a dividend equal to half of distributable earnings.

With earnings per share, for the year to December 31 1983, stated as 0.7p the dividend is 0.35p net. Last year's dividend—prior to the revised dividend policy—was 0.45p with earnings at 0.51p.

Last year the company, principally engaged in recourse factoring of book debts, sought and obtained shareholder approval for the buy-in of its shares. The directors stated that they intended to pay half of distributable earnings as dividends and the balance be distributed by way of market acquisitions of Kellock's shares.

For the year under review, pre-tax profits rose from £464,091 to £483,399 on turnover of £2.56m against £2m. Tax absorbed £249,552 (£274,567), minorities £135,606 (£76,437) to give a net balance of £97,941 (£113,067). Last year there were extraordinary debits of £35,776.

Godwin Electrical up at £222,000 — beats prospectus forecast

TAXABLE PROFITS of Godwin Electrical increased by 73 per cent to £222,203 for the year to August 31 1983, compared with £128,500.

This comfortably exceeded the £213,000 forecast in the company's prospectus during flotation last year on the over-the-counter market made by Harvard Securities.

Sales by this Southampton-based hi-fi, video and electrical retailer and kitchen supplier were up by 38 per cent to £1.97m, against £1.43m. Gross margins improved by more than 10 per cent to an average 30 per cent. Tax took £5,978 (£333).

Earnings per 5p share were 4.4p net (2.9p). As anticipated in the prospectus, there is no dividend.

Mr C. P. Godwin, chairman, refers to an "exciting, demanding and unusual" 12 months in which the directors tackled flotation, sophisticated computer systems and company acquisitions.

Since the year-end, the company has opened a further retail outlet, offering home entertainment services, and a warehouse in readiness for continued expansion. The directors believe the company "needs to broaden its horizons with controlled diversification."

Yearlings total £18.25m

YEARLING BONDS totalling £18.25m at 9½ per cent, redeemable on February 6 1985, have been issued this week by the following local authorities.

Kirklees Metropolitan Borough Council £2m; Nottingham (City of) £1m; Roxburgh District Council £0.25m; East Yorkshire BC £0.5m; Inverness DC £0.25m; Midlothian DC £0.25m; Westminster (City of) £1m; Ynys Mons Isle of Anglesey BC £0.25m; Dundee (City of) DC £0.5m; Sandwell (Metropolitan Borough of) £1m; Scunthorpe BC £0.5m; West Wiltshire DC £0.5m; Ealing (London Borough of) £1m; Thamesdown (Borough of) £2m; Kingston upon Hull (City of) £1m; Leeds (City of) £2.5m; Northavon DC £0.5m; Wirral (Metropolitan Borough of) £0.5m; Cardiff (City of) £1m; Clydesdale DC £0.25m; Forest Heath DC £0.5m; Greater Manchester Passenger Transport Executive £0.5m.

Durham (City of) has issued £0.25m of 10¼ per cent bonds for redemption on July 31 1985.

Carlton rights

THE rights issue by Carlton Communications, of 2,581,400 new ordinary shares of 5p each at 300p per share, has been taken up to the extent of 2,575,250 shares, representing 99.8 per cent of the issue.

An alternative to buy-outs

Tim Dickson reports on W. H. Allen's move towards independence

THE DEAL announced yesterday whereby book publisher W. H. Allen is seeking to raise £1.4m under the Business Expansion Scheme — thus transforming itself into a newly independent company — could have far reaching implications for some of Britain's bigger publicly quoted concerns.

This sort of transaction could also provide an alternative to the management buy-out for big companies anxious to hive off unwanted subsidiaries or under-utilised assets.

W. H. Allen is currently the only operating subsidiary of Howard and Wyndham, a loss making publicly quoted group best known for the provincial theatres it used to run.

After changing ownership several times in the 1960s, Allen came under H. and W.'s wing in 1971 before running into problems in 1979 with the slump in general publishing.

Operating losses were chalked up between 1979 and 1981 — attributed also to the costs of establishing its paperback imprints — but thanks in part to the improvement in financial controls and editorial and production efficiency introduced by Mr Bob Tanner, appointed managing director in 1979, the company broke back into the black in 1982. It is forecasting profits both above and below the line of not less than £100,000 for the year just ended.

Against this background of steady recovery — and market opportunities which Tanner is keen to grab — Allen is now planning an unusual financing. It is offering for subscription 8.25m new ordinary shares at 17p each to outside investors as a result of which H and W will become a minority shareholder with a 38 per cent stake in Allen, and individual subscribers will qualify for tax relief on the amount of their subscription at their highest marginal rate under the Business Expansion Scheme.

In recent weeks the way in which some promoters have exploited the BES—which was introduced in last year's Finance Act to encourage more equity investment in a wide range of unquoted companies — has aroused controversy. Those planning to apply the proceeds of issues to farming activities, for example, have come in for criticism.

As a former subsidiary of a publicly quoted company, Allen may also be breaking new ground though it is understood that a fish farming operation previously owned by a publicly quoted parent may also have raised new money under the scheme.

The initial reaction of BES experts was that the use of the BES by Allen is within the spirit of the Scheme.

One source close to the Government observed: "On a scale of one to 10 it would probably not get 10. But then only a robotics company creating lots of jobs in a depressed area is likely to score full marks."

Tanner explained yesterday that Allen had originally hoped to negotiate a management buy-out with its parent company. "But as time went by our monthly profits were improving so much that the deal became out of our range."

Howard and Wyndham did not have the capital to inject and outside institutional shareholders which were approached were not prepared to come forward with sufficient funds.

The BES—whose progress Tanner and fellow director Ralph Fields monitored during the passage through Parliament of the Finance Bill last year—ultimately proved a workable solution.

A spokesman for Allen's financial adviser Guidehouse explained that "qualifying company" clearance has been received from the Inland Revenue. "It would not have been allowed under the BES if H and W was to receive the proceeds of any new equity. Allen was being financed by an inter company loan from H and W so we also had to make sure that for the purposes of this transaction its wasn't deemed a controlling company."

A couple of semi-dormant Allen subsidiaries had to be disposed of to provide the "relatively clean corporate structure" required under the BES.

BIDS AND DEALS

Cliff bids £16m for Oil & Assoc.

BY CHARLES BATCHELOR

Cluff Oil, Mr Algy Cluff's exploration company, is making a £16m share bid for Oil and Associated Investment Trust. In what effectively amounts to a rights issue, Cluff plans to realise the trust's investments to raise cash for its exploration programme.

Three elements of the Cluff plan are unusual: The trust's board has been approached but is not recommending the bid; Cluff will allow its own shareholders to buy any of the new Cluff shares not taken up by the trust's shareholders; and Cluff is also making a scrip isue of one new warrant for every six Cluff shares already held.

Mr Cluff said: "This seemed a rather intelligent way of achieving a proper capital base. Our difficulty over the years has been that we have always raised too little capital too late. Now we will have a proper reservoir."

The deal will bost Cluff's net asset value by £15m to £51m. It will also give it the funds to carry out its international exploration programme, in particular its concessions off China in the Yellow Sea and the Gulf of Beibu.

Oil and Associated shareholders with a total 29.9 per cent of the equity have undertaken to accept the bid though the trust's board has advised shareholders to take no action.

The Britannia Group of Investment Trusts, which holds nearly 28 per cent of the trust, has pledged more than holf of its holding to Cluff.

Cluff is offering Cluff "B" ordinary shares, taking their price as 100p, to the value of 116 per cent of the net asset value of each trust share, subject to a maximum net asset value of 165p per trust share.

Net asset value will be determined on the day the offer becomes unconditional. If net assets exceed 165p Cluff will pay 100 per cent of the excess in cash from its own resources. The maximum number of new Cluff "B" shares to be issued will be 19.1m, representing 44 per cent of Cluff's enlarged capital.

Cluff's shares fell 8p to 97p yesterday while Oil and Associated rose 20p to 164p.

Samuel Montagu, Cluff's merchant bank adviser, will underwrite a cash alternative equivalent to 102 per cent of the trusts net asset value to a maximum asset value of 165p, and 100 per cent of anything over 165p.

Oil and Associated invests in oil exploration and production shares, mainly those of listed UK and US companies such as Shell, BP and Mobil.

Its shares have traded recently at a 20 per cent discount to asset value slightly less than the industry average because Britannia's large holding prompted speculation of a bid.

The trust reported a small increase in pre-tax profits to £416,000 for the six months ended September 30 1983, against £411,000 in the comparable period.

Cluff, which is traded on the Unlisted Securities Market, made a £596,000 loss on operations in the six months ended June 30 1983, compared with a £2.43m loss in the whole of 1982.

Stock Conversion

The Stock Conversion and Investment Trust has purchased for £3.3m cash from Wimpey Property Holdings (20 per cent) and from Yorkshire General Life Assurance Company (25 per cent), the minority holdings not already held in Haymarket Developments and Haysmith Investments.

These companies, which are now wholly owned, held long leasehold interests in modern buildings at 34 and 44/48 Dover Street in the West End of London. The freehold reversions in these properties have also been purchased.

Last week, Stock Conversion announced the acquisition of the minority interests in Craigielea Investments and Shaftward Investments.

As a result of the further transactions, minorities of £4.95m in the consolidated accounts to March 31 1983, will be eliminated and with the marriage value on the freehold purchases, there is a further addition to net assets of approximately 4.4p per share.

Montagu to pay £5m for Galbraith Wrightson

Samuel Montagu, the merchant banking subsidiary of Midland Bank, will pay up to £5m for the shipbroking and shipping interests of Stewart Wrightson, the insurance broking group.

It was announced last September that Montagu was in talks over the possible purchase of the Galbraith Wrightson Shipping subsidiary. Montagu will pay an initial £1m, plus deferred payments—depending on Galbraith's results—to a maximum of £4m.

Montagu intends to expand its activities in shipping ventures—last year, it was involved in projects totalling $75m—through the acquisition of Galbraith, one of the UK's largest shipbrokers.

The move is also a further step in the policy of Montagu's chairman, Mr Staffan Gadd, to broaden its range of financial services. Samuel Montagu Shipping Finance was set up in August 1982.

Mr Malcolm Savage, who has been involved in developing the shipping finance operation, said the increased access to market information through the shipbroking company would be of value in setting up new projects.

Montagu's recent shipping deals have mostly been in joint venture form, with the bank acting as both financier and consortium participant. Many small entrepreneurial shipowners had been hit by the prolonged recession," he said.

Galbraith Wrightson Shipping (excluding Austin Friars Steam Shipping, which is not part of the sale) made a pre-tax profit in 1982 of £535,000.

Montagu's initial £1m payment to Stewart Wrightson will be subject to adjustment if the net tangible assets are more or less than £300,000 at end-1983. The deferred payments will depend on Galbraith's results for the three years to end-1986.

Hanson/London Brick

Hanson Trust, the industrial holding group which is bidding £212 for London Brick, has issued another appeal to London Brick shareholders to accept its offer.

Lord Hanson, the chairman, questioned the expense of London Brick's advertising campaign to fight off the bid approach and asked whether, without the bid, London Brick would have forecast so dramatic an increase in dividends and profits for 1984.

Lazard Brothers, advisers to London Brick, estimated it had the support of half the shareholdings held by institutions in the company, amounting to 30 per cent of the equity.

London Brick's share price fell a further 4p to 154p yesterday, a drop of 9p in total since Monday, when Hanson revealed it held just under 4.58 per cent of Powell Duffryn, the engineering and transport group. This announcement was seen by Lazards as a diversionary tactic intended to depress the London Brick share price.

ACC lifts stake in Fleet to over 9%

Mr Robert Holmes a Court's Associated Communications Corporation (ACC) has increased its share stake in Fleet Holdings, publishers of the Express group of newspapers, to 9.08 per cent.

ACC (Channel Islands) revealed yesterday that it is now interested in a total of 7.66m shares in the last week or so. Mr Holmes a Court has increased his group's interest in Fleet from 5.1 per cent to the present level by purchasing a further 580,000 shares.

On the London stock exchange shares in Fleet Holdings rose 6p to 187p valuing Associated's stake at £14.3m.

Mr Holmes a Court has been building up his holding since last summer. He is believed to be interested in Fleet's 12 per cent shareholding in Reuters, the international business information service and news agency which is planned to be floated off to the public later this year.

But in the stockmarket there is speculation that Mr Holmes a Court may launch a full takeover bid for Fleet Holdings. Lord Matthews, chairman of Fleet, has already indicated that a bid from Mr Holmes a Court would be resisted.

Yelverton

Mr Jim Slater and his family trust have regrouped their shareholdings in Yelverton Investments, the small investment company quoted on the unlisted securities market.

In parallel moves Mr Slater has bought and his family trust has sold 125,000 ordinary shares. The sale by his family trust reduces its holding to below 5 per cent of the issued share capital. The share price of Yelverton was unchanged yesterday at 60p.

Gerrard & National terminates talks on prospective merger

BY MARGARET HUGHES

Gerrard and National, the UK's largest discount house, announced yesterday that talks which might have led to an offer for the capital of the company have been terminated. On January 24 the discount house had confirmed that it was engaged in merger talks.

The company had not identified the name of its prospective merger partner but it is believed to have been one of the financial services companies such as Mercantile House or Exco.

Mercantile, which had earlier said that it had been talking to Gerrard amongst others, would make no comment yesterday on the Gerrard announcement. Its shares, however, rose 10p to 432p on the news.

Exco for its part said that it had not been in merger talks with either Gerrard or any other financial company.

Gerrard directors said the talks had been terminated because of failure to agree terms which "fully reflected the company's past growth record and its future prospects."

He confirmed that the talks had failed purely over price. There had been no intervention by the Bank of England. He added that while Gerrard would continue to examine the opportunities provided by the changing environment in the city there was still room for expansion within the company's existing business.

Mr Gibbs said that if the merger talks had been successful they would not have taken Gerrard into any new areas.

Gerrard's shares fell 35p to 302p on the London Stock Exchange following the announcement while those of other discount houses such as Alexander's and Union Discount also fell on the news.

See Lex

N. Sea disposals by BET

THE British Electric Traction Company has confirmed that disposal of its North Sea oil interests to two of its partners has been substantially completed, with effect from December 31 1983.

Subject to final adjustments, the aggregate sale consideration for BET's oil interests is £55.75m cash.

The assignment to Century Power and Light, a subsidiary of Imperial Continental Gas Association, and Ultramar Exploration, a wholly-owned subsidiary of Ultramar, of BET's 5 per cent interest in block 16/29a (which includes the Maureen field) and four other blocks has been effected.

Assignment of BET's interests in the remaining nine exploration blocks is subject to receipt of the necessary government and other consents.

Century and Ultramar will assume responsibility for BET's share of outstanding work obligations which relate to licence P425 covering block 8/30 awarded under the 8th round of licensing.

Receivers called in at Hornsea Pottery

THE RECEIVERS have been called in at Hornsea Pottery Company, following a request by the directors to the company's bankers. Mr Tony Houghton and Mr Grahame Watts, partners in Touche Ross and Co., were yesterday appointed joint receivers and managers to the company.

Mr Houghton said that he hoped steps could be taken to preserve the valuable goodwill in the company's name and keep the business trading. He added that purchasers were being actively sought.

The company employs 550 people at its potteries in Hornsea, North Yorkshire and at Lancaster. Both potteries occupy extensive premises and these have in recent years been developed as leisure centres.

Turnover last year was £5m, but trading conditions have been difficult and in 1983 a loss of some £400,000 was incurred.

Gilbert House

Gilbert House Investments, the property company which came to the Unlisted Securities Market last June, made pre-tax profits of £28,000 for the six months to September 28 1983. In the last full year £47,000 was achieved.

Rents receivable for the half year totalled £159,000 (£296,000 for year). Property expenses took £4,000 (nil), administration expenses £33,000 (£44,000) and interest payable £94,000 (£205,000).

No tax has been provided, as a result of claims for industrial buildings allowances, but there was an extraordinary debit of £69,000 this time for USM costs. There is no interim dividend.

Palmerston improves

Rental income for Palmerston Investment Trust has continued to improve. In the half-year ended September 30, 1983, it increased by £7,505 to £113,081. There was also a surplus on property sales, but this was down £71,748 at £26,380. Management expenses accounted for £13,920 (£13,373) and there was an interest charge of £78,914 (£92,915).

An interim dividend of 1p (same) is declared—last year's total was 2.5p.

Gencold Refrigeration

A compulsory winding up order made by the High Court on January 23 against Gencold Refrigeration has been rescinded and the petition dismissed by consent. A similar order on January 23 against Bourgeois Boutiqueswear was also rescinded and the petition struck out on the grounds that the company had already been struck off.

BIDS AND DEALS IN BRIEF

Jermyn Investment Co has sold its leasehold interest in part of the Britannia Hotel, Grosvenor Square, London to Grand Metropolitan Hotels for £850,000 cash.

The Britannia Hotel is operated by Grand Metropolitan's subsidiary, Inter-Continental Hotels.

Country and New Town Properties hold 39.6 per cent of Jermyn's share capital and are strongly supporting the deal. Another 39.6 per cent of Jermyn is held by a subsidiary of the British and Commonwealth Shipping Company which will also support the deal.

Of the £850,000 proceeds, some £547,000 will be used to repay loans advanced by the two major shareholders, to enable Jermyn to engage in portfolio investment.

* * *

The offer by Slough Estates to acquire the whole of the ordinary share capital of Allnatt London Properties has been accepted in respect of 98.19 per cent.

Slough's offer to acquire the whole of the ordinary share capital of Guildhall Properties has been accepted in respect of 97.45 per cent including the 39.3 per cent of Guildhall owned by Allnatt.

Both offers are now unconditional and will remain open until further notice.

* * *

Raine Industries has acquired the whole of the issued share capital of Saville Press. The acquisition is for a total cash consideration of £280,000, of which £230,000 was paid on completion with the remaining £50,000 deferred for one year.

Saville Press is a well-established commercial printer trading from two locations in Sheffield.

* * *

The formal completion has taken effect of agreements entered into between Crouch Group, Federated Housing, and Mr Peter Meyer, chairman of Federated Housing.

These agreements provide for: Federated Housing to develop the bulk of Crouch Group's residential housing interests over a 15-month period; the share capital and reserves of Crouch to be increased by the issue of new ordinary shares as consideration for a 20 per cent interest in Federated Housing to be acquired by Crouch from Permex SA, a company controlled by Mr Peter Meyer; and a temporary increase in borrowing limits.

* * *

The proposed mergers of Arthur Bell and Gleneagles Hotels and of Candecca Resources and Trafalgar House will not be referred to the Monopolies Commission.

* * *

Video Brokers shares of which are traded on the market made by Harvard Securities, has agreed the takeover of Bournemouth-based Video Unlimited, a private company founded by Barry Goddard. Video Brokers is to pay £225,000 for the issued share capital.

To finance the takeover 1.3m new ordinary shares are being issued. Of these, Harvard will place 468,750 on behalf of Mr and Mrs Goddard, and 931,250 shares will be placed to provide required additional working capital.

* * *

Terms of United Parcels' offers for York Ward and Rowlatt are: for every YWR ordinary £7.32 in cash and for every preference £1 in cash. Ordinary shareholders may elect to receive shares in U.P. as an alternative in respect of all or part of their holdings. Terms are: 119 ordinary United Parcels for every 20 YWR ordinary. Total consideration if the offers are accepted in full for cash would be about £362,000.

* * *

Nesco Investments has exchanged contracts to sell Colmore Investments to a group of Colmore's executives, including Mr J. A. Pulford, a director of Nesco, for £150,000.

Under the contract, Nesco will purchase from Colmore Forest Road Garage for £150,000. Nesco's results for the six months to September 30 1983 have been delayed by the negotiations.

* * *

Taylon Pallister, a subsidiary of Bardsey, has acquired, for cash, Turners of Shettleston from Stenhouse Western.

The consideration is £130,195 payable as to £80,195 on completion and £50,000 deferred over six months thereafter.

The estimated net assets of Turners are £140,000.

* * *

Technology Resource AG, an investment company based in Switzerland, has acquired 250,000 shares (10 per cent) in the R. H. Morley Group from three investment companies based in the Isle of Man. Mr H. N. Khan has joined Morley's board as non-executive deputy chairman.

* * *

Shareholders of Maynards have been sent a letter of reminder from Mr Lewis E. Cartier urging acceptance by 3.30 pm today of his offer for shares. The ordinary offer price is 250p per share and is "final and will not be increased."

* * *

Standard Chartered Bank completed the sale, on January 31, of its subsidiary, 445 Property Corporation, for U.S.$111m (£79m) in cash, net of expenses.

* * *

Sedgwick Group has reached agreement for the Fiji Sugar Corporation to acquire a 26 per cent stake in its wholly-owned subsidiary, Sedgwick Fiji.

Accountancy Appointments

Accountancy Appointments

Director designate–finance and administration

Thames Valley, c £25,000 + car **Lotus**

Lotus Development Corporation went public in the US last year and is now launching its first European subsidiary in the UK. Growth in both profit and turnover has been exceptional and the company is firmly established as a leader in the development, production and sale of personal computer productivity tools for business and professional users.

Reporting to the Managing Director and a key member of the start up team, you will contribute directly to the profitable growth of the UK business. Your first task will be to introduce a full range of computer based accounting systems to control all statutory and management reporting. Additional responsibilities will be wide ranging and include the tax and treasury functions and business planning.

A Chartered Accountant in your early 30s, your career to date will include success in a US subsidiary and strong systems involvement. Flexible, energetic and innovative, you are seeking a company with ambitions to match your own.

Resumés which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions to Stephen Blaney, Executive Selection Division, Ref. B164.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Special Projects Accountant

for problem solving role in Aviation Industry

Central London

c £14,000

Our client offers a unique opportunity for a qualified accountant, preferably ACA, seeking a senior position with professional challenge.

This is a completely unstructured non-routine function demanding a high degree of personal initiative and creative problem solving ability.

Reporting to the Director of Finance you will be involved in a wide variety of projects within the organisation which has an annual turnover in excess of £200 million.

Sophisticated systems and high technology offer additional job interest and the broad exposure gained in project accounting will enhance real promotion prospects.

Excellent communication skills will be needed to establish good working relationships and to influence change.

Sound financial and management accounting experience within a large organisation is essential and preference will be given to applicants having a background in project appraisal, forecasting, systems and audit.

If you are aged between 27-33 yrs and feel you can meet the requirements of this demanding appointment contact us immediately on (01) 409-1343 quoting job ref. LT3

Le Tissier Executive Selection, Ely House, 37 Dover Street, London W1 3PB

LE TISSIER
Executive Selection

ACCOUNTANCY APPOINTMENTS
Appear every Thursday
Rate £34.50 per Single Column Centimetre

Young ACA

Banking
to £14,000+benefits

This a first rate opportunity to join a major Bank (part of a multinational group) at a time when internal developments make career prospects particularly bright.

The initial role will involve the provision of financial and management control data and will provide a sound basic introduction to the organisation and banking at large.

Aged 24-27, applicants should have gained sound experience in a "Top 8" firm. Experience of banking or bank audits, whilst very welcome, is not essential. A successful academic and work record to date, as evidence of the qualities necessary for further success is important.

The position will be based in the City. A full brief will be provided at a confidential initial interview. No details will be released without prior discussion.

Please apply in confidence, quoting ref. L98, to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place
Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Director of Corporate Audit

West of London **c£20,000+car**

Our client is a marketing-orientated US group in the leisure industry with a progressive international development policy. A qualified Accountant is now sought to strengthen and lead a close-knit team of international auditors.

Candidates, aged 28–35 will ideally be Chartered Accountants with a major international firm background, possessing experience of a multinational corporation with overseas activities.

Besides managing the auditing team, the role encompasses ensuring that tight financial controls are maintained within the group; building up a positive working relationship and attitude towards senior management; and reporting to the audit committee on a quarterly basis. The envisaged international travel content is 25%.

For a positive individual possessing excellent interpersonal skills there are first-class international career prospects.

Candidates should write enclosing a comprehensive curriculum vitae to Nigel Hopkins, FCA, quoting ref. 979. PO Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

European Financial Controller

Berkshire **c£22,000+car+bonus**

Our client, a $billion turnover US group, is involved in the design, manufacture and marketing of highly specialised technological instrumentation. It provides a variety of products and services to commercial, industrial and governmental customers worldwide. The European Head Office in Berkshire holds responsibility for one of the division's (turnover $20 million) activities throughout Europe.

A qualified Accountant is now sought to work closely with the European General Manager. This non-routine staff role places considerable importance on the overall planning aspect of the business and duties include taking responsibility for the long term strategy; reviewing and developing European operations; liaising with US and European management, consequently travel content is approximately 20%.

Candidates, aged 28–34, will possess large corporation experience with good EDP, analytical and excellent communicative skills.

For an outgoing individual who satisfies these requirements this appointment offers the opportunity to become involved in the broader and general management aspects of the company's development.

Candidates should write to Philip Cartwright ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 980, PO Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial Planning Manager *Distribution*

Reading **£14,000 plus car**

This is a rare if not unique opportunity to apply your experience in building a major new distribution operation, backed by the enormous resources of one of the world's leading manufacturers of quality foods, including such well known brands as Shredded Wheat breakfast cereal, Huntley and Palmer biscuits and Jacobs Cream Crackers.

The new Distribution Division will provide a comprehensive service to other divisions within the Nabisco Brands group. Naturally, in this 'clean sheet' situation you'll need to throw yourself totally into the establishment of a new costing system and work closely with commercial and operational directors in establishing tariffs, guidelines and objectives.

Ideally ACMA qualified, it is essential that you have a strong background in the distribution industry and although there are no restrictions on age, it is unlikely that anyone under 30 will have the maturity or depth of experience necessary to succeed.

In addition to the attractive salary, we offer an excellent benefits package and relocation assistance where appropriate.

Obviously, there is far more to this opportunity than we can tell you here, so to find out more, call **Liam Byrne on (07073) 25100 or write enclosing personal and career details to: Nabisco Brands, Bridge Road East, Welwyn Garden City, Herts. AL7 1HR.**

NABISCO BRANDS
FOODS – DISTRIBUTION DIVISION

Financial Controller

International Securities

City

to £15,000

The company is young, successful and growing rapidly. It deals in international securities from offices in London and New York and has plans to open in the Far East. With strong backing, the company has ambitious targets for expansion and should continue to be an exciting and rewarding working environment for at least the foreseeable future.

The current job holder has taken the accounting and related management information systems from basics to computerised in a short period of time. Challenging further developments are planned and the Controller will drive these through, in addition to being the key source of operational data. The job enjoys close working relationships with the dealers and directors, and only becomes vacant due to impending motherhood.

Applications will be welcomed from accountants, probably in their late 20s, ideally qualified and with City experience. Direct involvement with small-computer systems development and implementation is essential. Personal qualities of vitality, confidence and a shirtsleeves approach to work will fit in well.

Please write in confidence giving concise career and personal details and quoting Ref. ER672/FT to P.J. Williamson, Executive Selection.
Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

HS

HILL SAMUEL GROUP PLC

Taxation Accountant

Hill Samuel Group Plc, whose principal activities comprise merchant banking; life assurance and investment management; employee benefit services; insurance broking; shipping services and other activities, is seeking to appoint a taxation accountant. The successful candidate, who will form part of a small in-house tax team, will be responsible for:-

* Providing tax advice within the Group
* Monitoring the Group's UK tax position
* Preparation and submission of UK tax computations

The position requires a person who is able to communicate effectively, both orally and in writing, and who is able to work as a member of a team. The successful candidate will need to have a working knowledge of UK taxation and an accounting background. Previous exposure to international tax matters is desirable, but not essential.

Salary is negotiable but will reflect the responsibilities of this position. Excellent benefits include a non-contributory pension scheme, free life assurances and house purchase scheme.

Applications, which will be treated in strict confidence, should be sent to:

R. C. G. Gardner, Director of Personnel,
Hill Samuel & Co. Limited,
100 Wood Street, London, EC2P 2AJ.

HILL SAMUEL & CO LIMITED

Finance Manager

c.£15,000 **London W1**

Our client, GVA (UK) Ltd., an offshore oil service company, wishes to appoint a Finance Manager to join its small UK team. This is a new position and the successful candidate will work closely with the Managing Director. The work will involve all aspects of accounting, the development of computer systems, cash management, foreign exchange, credit control and the preparation of budgets and forecasts.

Candidates should be professionally qualified and have a good degree. They should be in their late 20's, with a knowledge of corporation tax and experience of computerised accounting procedures. They should be interested in both the money market and business appraisal but prepared to do routine accounting as well.

This is an opportunity for a young accountant who seeks a challenging environment to grow with a company which expects to expand over the next few years.

Please write, outlining how your qualifications and experience match the job requirements, quoting ref: 1381 to

bhf

Anne Knell,
Executive Selection Division,
Binder Hamlyn Fry & Co.,
8 St. Bride Street,
London EC4A 4DA.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Chartered Secretary

Substantial quoted company

Northern England, c.£20,000 plus executive benefits

The appointment is as Assistant Secretary in the Head Office of a substantial group which is highly respected internationally, growing in its principal markets with turnover approaching £1 billion and continuing to develop the overall scope of its operations from a strong financial base. The appointee will support the main board and Secretary on a wide range of complex and administrative issues. The requirement is for a Chartered Secretary, 40–45, with broad and substantial company secretarial experience in a quoted industrial company whose sales exceed £50m. Particular expertise in liaison with City and investing institutions, acquisition and divestment, share issues, company formation, pensions and public and press relations is sought. For the commercially able candidate the scope for development is excellent. Benefits include relocation support.

G.T. Walker, Ref: 42494/FT. Male or female candidates should telephone in confidence for a Personal History Form **0632-327455**, *4 Mosley Street,* **NEWCASTLE-UPON-TYNE,** *NE1 1DE.*

هكذا من الأصل

Accountancy Appointments

An opportunity has arisen in the Irish Industrial Development Authority for the position of:–

Financial Adviser

The person will advise the Authority on finance and taxation issues relevant to industrial development in Ireland. This is an area of constant change and provides an opportunity for someone with a wide range of financial skills to follow through new ideas and to be involved with discussions at top level with financial institutions, manufacturing companies and Government departments.

The position reports to the head of IDA's Planning Division and involves leading a team who are experts in the areas of finance and taxation. The vacancy arises due to the return of the previous holder to banking.

The successful candidate will have a broad base of financial skills in the areas of banking, project funding or international and domestic company taxation and will be committed to helping towards the successful implementation of any new direction of industrial policy. The person is likely to have management experience and must be able to communicate clearly and persuasively at senior levels.

A salary in excess of IR£20,000 per annum will be negotiable for this position.

Personal history forms should be returned before Wednesday 15th February 1984 and are available by telephoning Anne Goggin at 0001 602244 (Ext. 3114) or by writing to her at

Staff Department,
Industrial Development Authority,
Lansdowne House,
Dublin 4.

IDA Ireland
INDUSTRIAL DEVELOPMENT AUTHORITY

A dynamic, international financial services group based in Essex, requires several recently qualified accountants. The group has a policy of introducing young accountants to the technicalities of the business with a view to promotion to senior general management roles. The following vacancies arise from such promotions and offer exceptional career opportunities.

Project Accountants

c. £13,500 **Age: Mid 20's**

Based within the accounts department, a successful candidate will be working closely with the senior management of an operating company, with particular responsibility for cash flow, credit control and negotiation and liaison with clients. The post requires an ability to master quickly the technicalities of the market and to respond to a rapidly changing environment. Initiative and a good personal presence are essential.

Management Accountant

£12,500 + car **Age: 24-29**

Responsible to the Chief Accountant, the person appointed will control a small team, using a sophisticated management reporting system for budgets and management and financial accounts. The work will involve analysis, special exercises and liaison with directors of the operating companies. Candidates, probably ACMAs, must have experience of staff supervision and possess strong personal qualities.

Please apply to Timothy Hoare, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG. Tel: 01-242 5775.

Career plan LIMITED
Personnel Consultants

Financial Analysis & Control

To £20,000 + Car

These three senior analytical positions require well motivated self starters who would be stimulated by the challenge of providing leadership in their respective areas of competence to the large scale UK interests of a leading multinational.

The key vacancies are:

1. Current profit planning and analysis; financial planning and review (ref. L 95)
2. Expense planning, control and reduction (across an extensive organisation) (ref. L 96)
3. Product and customer costs, pricing and profitability for current and future products (to include advice on marginal pricing) (ref. L 97).

The terms of reference will be to substantially improve the state of the art and in each area there is considerable scope to do so. Relevant previous experience of best practice in a respected major group is therefore important. An accounting qualification and/or business degree are essential.

Location – Central London. Age range 28-35.

Please reply in confidence, quoting the appropriate reference to:

Chris Haworth
Mason & Nurse Associates
1 Lancaster Place,
Strand, London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

MEMO

Company Secretary

FCA/FCIS

Check last Thursday's Financial Times Page 10 for possible action

Chairman

Superb Career Opportunities

(Age 25–30)

Thames Valley **£11,500–£17,000+car**

A progressive marketing strategy and impressive growth record have earned our client a highly regarded international reputation. They are currently involved in an exciting phase of development and have identified a requirement for a number of qualified Accountants to strengthen their finance function.

Applicants will have a sound academic record and be able to demonstrate a successful track record to date, either within the profession or in a commercial environment, together with the desire to make a significant contribution at the most senior level.

The opportunities available are varied and challenging, with experience to be gained in corporate planning, treasury, financial accounting and audit. Furthermore, medium and longer-term prospects within the group are excellent, and the highly competitive salary packages are accompanied by generous relocation expenses.

Candidates should contact **Terry Benson on 021-643 6255 at 24 Bennetts Hill, Birmingham B2 5QP.**

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

RECENTLY QUALIFIED ACCOUNTANT

Age to 28 **c. £14,000 p.a. + car**

The Head Office of a major South Midlands Public Company with its finger on the business pulse and in an acquisitive mood requires a highly motivated Accountant to join the Treasury Department.

This vacancy, created by growth, involves regular contact with the Board of Directors and Divisions. The work includes forecasting and cash management, money market dealings and ad hoc projects relating to finance matters and acquisitions.

The successful candidate will be a graduate Accountant probably with *industrial/commercial* experience and a record of achievement.

Promotion prospects are first class. The rewards consist of a competitive salary, car, relocation expenses where necessary and other benefits as would befit a successful Public Company.

Female and male candidates should contact Christine Lightfoote with details of career to date and current salary, quoting reference 0105 at:

QMS Recruitment
Quorn House, 6 Princess Road West
Leicester LE1 6TP
Tel: 0533 551444

Financial Accountant Greenford, Middx.

A developing Company seek to appoint a young Chartered Accountant to take control of Group accounting reporting directly to the Chairman.

The successful applicant will have a good academic background and will have gained sound experience in the field of computers and computer accounting. Group turnover is currently in excess of £7million and this position would suit a young person seeking to gain wide experience in a medium sized private limited company.

Salary and benefits by negotiation and dependent upon experience.

The position is with– BRITISH FITTINGS COMPANY, Greenford Middlesex, but applicants should write in the first place to the Company's Auditors, marking letters "Personal"– Guy Rigby, FCA, Turner Easdale and Co. 14 Great Castle Street, London W1N 8JU.

FINANCIAL CONTROLLER

Central London **£17,500 — £20,000 + car**

An established £10m turnover group engaged in light manufacturing and distributive activities wishes to strengthen its management team by the appointment of a high calibre Financial Controller. This appointment is recognised as a key element in the future success of the group which is highly sales orientated and motivated by a policy of growth.

The position will report to the Group Managing Director and carry full responsibility for all financial matters. The successful applicant will be expected to re-organise and improve the performance of the accounts function and play an active role in the management team, making a personal contribution to the bottom line.

Applications are invited from qualified accountants, preferably in their thirties and with practical computer experience, who can demonstrate the ability to manage people effectively and achieve tangible results.

Please send a comprehensive career resumé including salary history and day-time telephone number, quoting reference 2148 to G.J. Perkins.

Touche Ross & Co, Management Consultants
Hill House 1 Little New Street London EC4A 3TR
Telephone: 01-353 8011

Finance Manager

S E London **c£16,000 + bonus + car**

Our client is a Northern European division (turnover £6 million) of a major US multinational specialising in the manufacture of instrumentation consumerables.

A new position has been created at the London Head Office for a qualified Accountant to take responsibility for the regional accounting and data processing functions plus other aspects of corporate administration. As part of the management team, the candidate will be expected to contribute to the development and expansion of this newly organised division.

Reporting to the Managing Director the applicant will be required to demonstrate proven staff control, experience with computers and expertise in US company reporting.

For a highly motivated individual, with previous exposure to a commercial environment an attractive package including bonus and company car is available. Age indicator 30–40.

Candidates should write enclosing a comprehensive curriculum vitae to Nigel Hopkins, FCA, quoting ref 982, PO Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial Accountant

Norfolk **Excellent Benefits Package**

My client is a major oil services company based in Great Yarmouth and operating throughout Europe.

Continued expansion has resulted in the creation of a new position for a Financial Accountant. Responsibilities will include: Group financial accounting, system review and management information systems.

Applicants CA or ACA, probably aged 28-35, should possess a minimum of 3 years' experience in industry.

A knowledge of European accounting procedures would be a distinct advantage. In addition to an excellent benefits package this key appointment also offers the opportunity to travel.

Interested candidates should write in the first instance, with full career details, to:
Michael Platten, PER,
3rd Floor, Norfolk Tower,
Surrey Street,
Norwich NR1 3PA.

PER Executive Selection

YOUNG ACCOUNTANTS

required by our clients in Farnborough, Surrey; Luton; North London; Thames Valley.

Varied and interesting opportunities for qualified and part qualified accountants.

Apply to.

Clive Stokes,
Barnett Consulting Group Ltd.,
Providence House, River Street, Windsor. SL4 1QT.
Tel: Windsor 56723.

BARNETT CONSULTING GROUP

Financial Controller

EXECUTIVE SELECTION CONSULTANTS EXECUTIVE SELECTION CONSULTANTS

F.m.c.g. manufacture **c. £15,000 plus car**

This is a new appointment at the West Yorkshire subsidiary of a major American corporation. The company is well established and profitable and currently the subject of a substantial expansion and investment program. The integrated accounting systems are computerised and maintained on a large main frame facility at the parent's U.K. head-quarters. The intention is to decentralise the accounting function and the Financial Controller's first task will be to develop the systems so that they can be utilised locally and independently. Whilst fundamental requirements are for a qualified accountant with above average abilities in the development and use of such systems the new executive will utilise a broad range of financial and commercial skills as functional head and a key member of the top management team.

Applications may be from both male and *female candidates* and *should* be directed in confidence to us as Consultants on the appointment, for the attention of John Sanders, quoting reference 1318/FT.

PMC EXECUTIVE SELECTION CONSULTANTS

PMC MANAGEMENT SERVICES LTD.
5-7 East Parade, Harrogate HG1 5LF,
North Yorkshire. Telephone 0423-69961.

EXECUTIVE SELECTION CONSULTANTS EXECUTIVE SELECTION CONSULTANTS EXECUTIVE SELECTION CONSULTANTS EXECUTIVE SELECTION CONSULTANTS

Accountancy Appointments

International Appointments

NEW YORK STOCK EXCHANGE 32–34
AMERICAN STOCK EXCHANGE 33–34
WORLD STOCK MARKETS 34
LONDON STOCK EXCHANGE 35–37
UNIT TRUSTS 38–39
COMMODITIES 40
CURRENCIES 41
INTERNATIONAL CAPITAL MARKETS 42

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday February 2 1984

Cool reception for fisheries deal, Page 40

WALL STREET

Determined efforts but rally elusive

DETERMINED attempts to rally by stocks on Wall Street were held in check by caution in the bond markets ahead of the announcement of the Treasury's funding programme for the next quarter, *writes Terry Byland in New York.*

The credit markets made little initial response to President Ronald Reagan's budget message to Congress.

The day started well for the stock market, with the professional traders looking for signs of a recovery in a market which is beginning to look over-sold after nine sessions of heavy trading which has taken 50 points off the Dow Jones industrial average. However, prices sagged later as buying support faded away in the face of falls of around ¼ in the bond market.

At one point, the Dow Jones index was more than 11 points down, as the big investment institutions again unloaded blocks of leading stocks. Selling slackened in the final hour, however, and prices rallied. The Dow Jones industrial average ended at 1,212.31, a net 8.27 down. Trading volume remained high, with 107m shares turned over.

The chief talking point was U.S. Steel's plan to buy the steelmaking operations of National Intergroup, formerly National Steel.

Both stocks were suspended at the opening of business, but returned at midsession. U.S. Steel at $29¾ was $1¼ off, while National Intergroup returned at around $36, to show a gain of $1⅜ on the overnight quotation.

The move by the two groups was regarded as further confirmation of the industry's determination to rationalise operations, which has already brought gains in the sector's stock rating.

IBM ended the day $⅜ off at $113½. Honeywell dipped by $1⅛ to $118⅜, Texas Instruments by $2½ to $127 and Storage Technology by $⅞ to $11⅛.

In home computers, there was renewed selling of Commodore International, which fell $2¼ to $33¾ in response to comments on executive resignations and delays in bringing in promised new models.

Comdisco, which leases out IBM equipment, dipped $⅝ to $11¼. Another heavy casualty among computers was National Semiconductor, $½ off at $14¼ after confirming that it expects an indictment on charges of supplying substandard equipment to U.S. military forces.

Xerox, the office copier group, fell $1¾ to $42¼ after consideration of its trading results. Raychem, supplier of insulation materials to the telephone and telecommunications industries, plunged $13 to $59 after disappointing the market with a forecast of unchanged profits this year.

General Motors eased $⅜ to $71⅞ as the market took in the latest sales statistics, but the weak spot in the sector was Ford Motor, down $1¼ to $39⅝ in active trading.

Airline issues met further selling with Northwest Air off $⅝ at $43¼ and UAL (United) down $⅛ at $35½. Other stocks also shedding points were Northrop, off $3⅛ at $84½ and Motorola, $3¼ lower at $117½.

On the American Stock Exchange, Amdahl, the computer company, added $⅝ to $18⅝ and Wand Laboratories at $29¾ also saw active trading. Domestic energy issues were mostly easier, with Dome Petroleum of Canada a shade lower at $3 1/16.

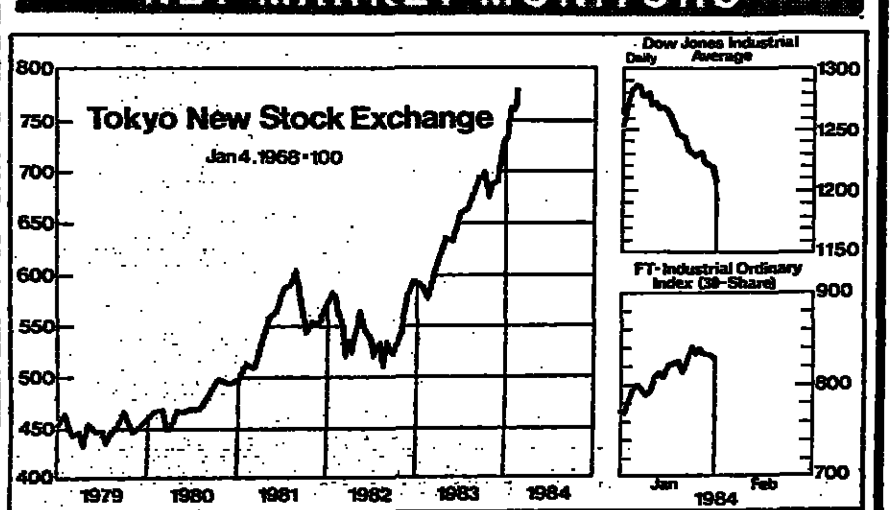
Credit markets moved nervously ahead of the Treasury funding statement, which is expected to open the door to higher yields later this month in the three, 10 and 30 year issues involved. Also encouraging caution was yesterday's make-up day for the banks, the last time under the lagged reserve requirement system, which is to be replaced by the contemporaneous reserve requirements.

Federal funds touched 9 11/16 per cent as make-up operations unwound, bringing generous help from the Fed in the form of $2bn in customer repurchases.

Meanwhile, President Reagan's budget message served only to confirm the market's awareness of the weight of the federal deficit.

The key 2013 long bond closed at 102 2/32, hardly changed on the day, to yield 11.74, following the announcement of the Treasury funding programme which was in line with market expectations.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Feb 1	Previous	Year ago
NEW YORK			
DJ Industrials	1212.31	1220.58	1059.79
DJ Transport	550.50	554.69	461.01
DJ Utilities	132.85	132.76	123.94
S&P Composite	162.73	163.42	142.95
LONDON			
FT Ind Ord	829.20	831.40	632.20
FT-A All-share	500.51	501.36	397.61
FT-A 500	534.62	535.61	429.92
FT-A Ind	486.07	486.89	405.16
FT Gold mines	570.20	543.80	673.30
FT Govt secs	82.98	83.02	77.18
TOKYO			
Nikkei-Dow	10,200.81	10,196.10	8105.52
Tokyo SE	779.02	777.04	587.71
AUSTRALIA			
All Ord.	765.70	765.90	543.20
Metals & Mins.	524.20	520.50	496.90
AUSTRIA			
Credit Aktien	55.47	55.62	49.26
BELGIUM			
Belgian SE	148.23	148.02	104.57
CANADA			
Toronto Composite	2476.30*	2468.80	2022.20
Montreal Industrials	428.31	428.75	346.99
Combined	413.45	414.28	332.24
DENMARK			
Copenhagen SE	220.49	219.05	103.39
FRANCE			
CAC Gen	170.10	170.40	104.90
Ind. Tendance	111.00	110.80	108.50
WEST GERMANY			
FAZ-Aktien	369.73	365.14	250.84
Commerzbank	1093.60	1079.60	753.80
HONG KONG			
Hang Seng	1108.54	1102.38	895.53
ITALY			
Banca Comm.	229.57	225.41	184.59
NETHERLANDS			
ANP-CBS Gen	178.90	176.60	105.70
ANP-CBS Ind	147.20	145.40	92.00
NORWAY			
Oslo SE	247.85	247.62	127.16
SINGAPORE			
Straits Times	closed	1071.01	775.65
SOUTH AFRICA			
Golds	N/A	829.50	1099.50
Industrials	N/A	967.70	624.10
SPAIN			
Madrid SE	108.75	109.19	104.50
SWEDEN			
J & P	1567.29	1552.88	1050.71
SWITZERLAND			
Swiss Bank Ind	377.00	379.30	301.20
WORLD	Jan 31	Prev	Year ago
Capital Int'l	185.00	184.90	156.60

GOLD (per ounce)

	Feb 1	Prev
London	$377.875	$373.125
Frankfurt	$378.25	$373.75
Zurich	$377.50	$373.50
Paris (fixing)	$378.04	$372.46
Luxembourg (fixing)	$378.40	$372.00
New York (Feb)	$379.30	$373.80

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Feb 1	Previous	Feb 1	Previous
$	–	–	1.409	1.4015
DM	2.788	2.805	3.9425	3.95
Yen	234.25	234.60	330.50	329.25
FFr	8.54	8.5985	12.0450	12.0750
SwFr	2.234	2.246	3.1525	3.16
Guilder	3.1440	3.1735	4.4350	4.45
Lira	1704	1716	2403.	2404.50
BFr	57.16	57.59	80.60	80.70
C$	1.247250	1.249250	1.7590	1.7505

INTEREST RATES

	Feb 1	Prev
Euro-currencies (offered rate)		
£	9 7/16	9 7/16
SwFr	3 9/16	3 9/16
DM	5 15/16	5 15/16
FFr	13¼	13¼
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 13/16	9¾
6-month U.S.$	10	10
U.S. Fed Funds	9⅝	9 9/16
U.S. 3-month CDs	9.35	9.30
U.S. 3-month T-bills	8.90	8.90

U.S BONDS

	Feb 1* Price	Feb 1* Yield	Prev Price	Prev Yield
Treasury				
10% 1985	100 5/32	10.55	100 4/32	10.55
11¾ 1991	101	11.54	101	11.54
11.75 1993	100 29/32	11.63	100 18/32	11.65
12 2013	102 2/32	11.74	102 1/32	11.75
Corporate				
AT & T				
10⅜ June 1990	93½	11.80	93½	11.80
3⅞ July 1990	68⅝	10.75	68⅝	10.75
8¾ May 2000	75¾	12.20	75¾	12.20
Xerox				
10⅞ March 1993	92½	12.00	92½	12.00
Diamond Shamrock				
10⅞ May 1993	91⅝	12.10	91⅝	12.10
Federated Dept Stores				
10⅜ May 2013	86	12.40	86	12.40
Abbot Lab				
11.80 Feb 2013	95¼	12.40	95¼	12.40
Alcoa				
12¼ Dec 2012	96	12.80	96	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
March	70–30	70–31	70–23	70–26
U.S. Treasury Bills (IMM)				
$1m points of 100%				
March	91.06	91.07	91.02	91.05
Certificates of Deposit (IMM)				
$1m points of 100%				
March	90.45	90.46	90.39	90.43
LONDON				
Three-month Eurodollar				
$1m points of 100%				
March	90.21	90.23	90.19	90.24
20-year Notional Gilt				
£50,000 32nds of 100%				
March	108–30	109–04	108–20	109–28

COMMODITIES

(London)	Feb 1	Prev
Silver (spot fixing)	618.70p	600.65p
Copper (cash)	£1005.50	£993.00
Coffee (March)	£2078.00	£2068.50
Oil (spot Arabian light)	$28.65	$28.60

TOKYO

High-priced end achieves popularity

SOME ISSUES priced at more than Y10,000, and non-ferrous metal stocks, drew buying interest in early trading in Tokyo yesterday, but international populars remained out of favour, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow average rose 4.71 from the previous day to close at 10,200.81, with trade volume expanding to 386.91m shares from Tuesday's 273.02m.

Declines outnumbered advances 431 to 312, with 147 issues unchanged. However, the arithmetic stock price average of all issues listed on the Tokyo stock exchange's first section climbed 7.80 to 589.39, reflecting the gain of the high-priced stocks.

Although trading was active, the market lacked vigour, discouraged by the steep rise in the buying balance of margin transactions and persistent concern over the recent upsurge. Investors selected high-priced stocks on expectations of stock splits and small-capital, cash-traded issues.

Kokusai Denshin Denwa (KDD), Japan's international telecommunications monopoly, firmed Y800 to Y19,100, Nippon Television Network Y690 to Y11,990, Fanuc Y510 to Y11,800 and Kyocera Y160 to 11,060.

Small-lot buying sent Orient Leasing posting a maximum allowable rise of Y400 to Y2,940 and Nichimo, a fishing products maker, Y80 to Y491.

Conversely, internationally popular blue-chip stocks weakened, except Matsushita Group, which gained ground on strong business performance. Matsushita Communication advanced Y340 to Y4,290, Victor of Japan (JVC) Y150 to Y3,400 and Kyushu Matsushita Electric Y140 to Y3,090.

Reflecting the continuing Iran-Iraq war, Arabian Oil – which owns concessions in Saudi Arabia and Kuwait – jumped Y500 to Y5,750, Sumitomo Metal Mining Y30 to Y1,380 and Mitsubishi Metal Y14 to Y462.

Bond prices remained almost unchanged, as both institutional investors and securities houses generally adopted a wait-and-see attitude amid uncertain market prospects.

The yield on the barometer 7.5 per cent government bonds, maturing in January 1993, closed unchanged at 7.435 per cent.

HONG KONG

THE LAST session before the lunar new year holidays saw Hong Kong continue its recent bullish trend with a 6.16 gain to 1,108.54 in the Hang Seng index, the best level since September 1982.

Leading issues were slightly higher to unchanged as Hongkong Bank put on 5 cents to HK$8.80, Hutchinson Whampoa added 10 cents to HK$18.00 and Jardine Matheson was steady at HK$14.30.

Properties held their recent rises with Cheung Kong and Hongkong Land unchanged at HK$ 10.10 and HK$4.27 respectively, while Sun Hung Kai improved by 10 cents to HK$7.10.

Singapore, closed yesterday, will reopen with Hong Kong on Monday.

CANADA

EARLY widespread advances weakened in Toronto's afternoon session, where most stocks closed mixed. Only the metals and minerals sector showed any gain.

In contrast, Montreal industrials were the only firm spot as weakness in utilities, banks and papers dulled the overall performance.

EUROPE

Foundations once more prove solid

THE FOUNDATIONS supporting the European bourses at record heights again proved themselves solid yesterday as a resumption of buying enthusiasm built a further tier of gains in the absence of any underpinning from Wall Street.

Banks and insurers in particular warded off the profit-takers who had moved in on Tuesday in many centres after prominent gains the previous session.

Deutsche Bank was a focus of **Frankfurt** attention, drawing foreign demand and ending with a DM 11.30 rise at DM 399. A one-for-seven rights issue from BHF led it to jump DM 14 to DM 316 in a lively day which took the Commerzbank index 14 points higher to a peak 1,093.6. Commerzbank itself firmed DM 3.20 to DM 189.

Consideration of Allianz's U.S. purchase brought a DM 18 gain at DM 840, while Munich Re, its associate, advanced DM 65 to DM 1,355.

Bright results from Siemens sent it soaring DM 20.50 to DM 411.50 and heartened other electricals. PKI put on DM 8 at DM 335. Degussa in chemicals firmed DM 2.50 to DM 373.50 ahead of its dividend and rights issue announcement.

Bond prices were harder, and the Bundesbank sold DM 37.4m in paper.

A return to record levels in **Amsterdam** featured heavy demand for Ned Mid Bank on speculation that it might make a foreign acquisition. It surged Fl 13.50 to Fl 198 while others such as ABN strengthened Fl 3.50 to Fl 442.50.

Aegon led insurers Fl 7.50 higher at Fl 146, while brewer Heineken rose steadily to a Fl 9.30 better result at Fl 162.50. Domestic bonds edged lower.

Profit-taking continued to beset **Zurich** chemicals and engineerings, but steady banks were highlighted by speculation in Gotthardbank, which gained SwFr 18 to SwFr 605.

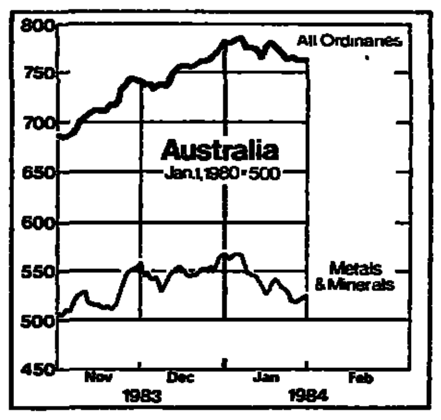
Indications of 1983 performance from Nestlé clipped SwFr 70 from its price at SwFr 4,840. Bonds shed an average quarter-point.

Milan appeared by yesterday largely to have discounted the round of capital increases by banks, but no reversal set in and Banca Commerciale firmed L20 more to L39,500. Fiat led the industrials L120 higher at L4,140, while bonds were selectively firmer.

A mixed **Paris** session showed Perrier FFr 17 higher at FFr 533 on its profits and dividend increase, while steady **Brussels** trading again centred on Petrofina, up BFr 50 to BFr 7,050 for a two-day rise of BFr 150 on its results and scrip plans. Hoboken weakened BFr 160 to BFr 5,330.

Advances led declines two to one in **Stockholm**, where Electrolux put on SKr 5 to SKr 282 as it reported a near-trebling in profits last year. Elsewhere Gambro gained SKr 12 to SKr 307. **Copenhagen** had Danske Bank DKr 9 up at DKr 349 as the sector led a firm day.

Madrid edged lower in quiet dealings.



AUSTRALIA

INDUSTRIALS were prone to Sydney profit-taking but metal mining issues drew benefit from higher commodity values and oils were active providing a mixed result in generally quiet trading as Far East interest dwindled with the onset of the Chinese New Year.

Partners in the Turtle One offshore oil well were subject to overnight selling from London after a drilling report, but steadied later to leave Western Mining 5 cents off at A$4.20, Home Energy unchanged at A$1.50 and others slightly below Tuesday's close.

Weeks Petroleum surged 60 cents to A$6.80 after the purchase of a quarter of its equity at some A$7.60 a share.

Publishers were weak, with News Corporation slipping 30 cents to A$12.70 and Herald and Weekly Times 5 cents to A$3.10.

LONDON

Pause to evaluate trends

EQUITY INVESTORS adopted a more cautious approach in London yesterday and were undecided as how to evaluate Wall Street's attitude to the U.S. economy and the Confederation of British Industry's survey of UK recovery prospects. This uncertainty was reflected in the relatively light trading volume and a 2.2 point drop in the FT Industrial Ordinary index to 829.2.

Hawker Siddely, a recent U.S. favourite, suffered an above average decline of 4p to 408p and short-term holders of London Brick, also 4p lower at 154p, appeared nervous while waiting for fresh bid developments.

Property issues fell sharply initially following press reports that UK property values are too high, but selling pressure abated and leading names closed above the worst levels.

New bids featured Cluff Oil's offer for Oil and Associated Investment Trust and possibilities of U.S. interest in Phoenix Assurance.

Still lacking institutional activity, longer-dated gilts drifted ¼ off before light demand restored most quotations to the previous session's levels. Shorts struggled to achieve small gains.

Details, Page 35 Share Information Service, Pages 36–37

SOUTH AFRICA

MOST SECTORS in Johannesburg took their cue from sharply higher gold shares, buoyed by strong buying support from Europe, as the bullion price moved confidently ahead.

Buffels scored a R2.50 rise to R61.50, while Anglo American Gold put on R3.70 to R139, an increase of almost R10 since Friday.

Industrials were mixed with a firmer bias with Barlow Rand extending the previous session's 30 cent rise with a further 35 cent advance to R13.85.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19⅝	9½	AAR	.44	2.4	22	1109	18⅝	17⅞	18⅝	+½
52⅝	39½	ACF	1.40	3.1	1214	379	45⅝	45⅛	45⅛	-½
22	18¼	AMCA	n			12	19¼	19½	19½	-½
19⅞	14½	AMF	.50	3.1		697	16½	16	16	
41⅞	20½	AMR Cp			15	5275	35	34⅛	34⅝	+⅛
19⅞	16⅛	AMR	pf2.18	11		51	19¾	19⅝	19⅝	-⅛
41½	24⅞	AMR	pf2.13	6.0		207	35¾	35	35½	+⅛
26¼	23⅞	ANR	pf2.67	11		29	24¼	24⅛	24¼	+¼
23⅞	20	ANR	pf2.12	9.9		2	21½	21½	21½	
16¼	3½	APL			19	20	13⅛	12⅞	13⅛	+⅛
55¼	34⅛	ARA	2.05	4.1	11	84	50¼	50	50	
73½	59¼	ASA	3a	4.9		1229	60¼	58⅛	60⅛	+3¼
33¼	14⅞	AVX	s.32	1.3	37	402	24⅝	24¼	24⅞	+⅝
53⅛	36⅛	AbtLab	1	2.3	15	2235	44⅝	43½	44¼	+⅝
30¼	23¼	AccoW	n.60	2.2	18	72	27¼	27⅛	27¼	-½
27½	17⅛	AcmeC	.40	1.6		226	25¼	24⅞	24⅞	+⅛
14⅞	9½	AcmeE	.32b	2.5	81	93	13	12¾	13	
24⅞	8⅝	AdmDg	.04	.3	10	103	13⅝	13⅛	13⅛	+¼
19¾	15	AdaEx	2.11e	13		86	16¼	16⅛	16⅛	
19¾	7⅛	AdmMl	.24	1.4	8	13	17	16⅞	16⅞	
16⅝	9½	Advest	.12	1.1	10	150	11⅛	10⅞	10⅞	
37½	15½	AMD	s		35	6306	29½	27⅞	28⅞	-⅞
24⅝	13⅛	Aerflx	s		15	52	15¼	14½	14½	-½
43½	32⅞	AetnLf	2.64	7.4	9	1242	36	35⅛	35⅞	-⅛
65	55⅛	AetL	pf5.09e	8.9		7	57¼	57¼	57¼	+½
40½	24	Ahmns	1.20	3.8	9	379	32¼	31⅛	31¼	-½
7⅛	3	Aileen				35	4⅝	4½	4½	-⅛
51	38¼	AirPrd	1	2.2	12	580	45	44½	44⅝	-⅝
30⅞	18¼	AirbFrt	.60	2.3	21	48	26⅛	26¼	26¼	-¼
3	1¼	AlMoa	s		26	30	3	2⅞	2⅞	
33½	29⅛	AlaP	pfA3.92	13		3	30¼	30¼	30¼	+⅛

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 33

[illegible]

CANADA

[illegible]

DENMARK

Feb. 1	Price Knr %	+ or —
Aarhus Olie	475	......
Andelsbanken	325	-1
Baltic Skand	675	......
CopHandelsbank	304	+3
D. Sukkerfab	620	......
Danske Bank	349	+9
East Asiatic	208	+3
Forenede Brygg.	1,195	......
Forenede Damp.	170	-25
GNT Hldg.	680	......
I.S.S.B.	695	+10
Jyske Bank	723	+3
Novo Ind	2,735	......
Privatbanken	339	+2
Provinsbanken	362	+4
Smidth (F)	279	......
Sophus Berend.	1,330	......
Superfos	566	......

FRANCE

Feb. 1	Price Frs.	+ or —
Emprunt 4½% 1973	1,865	+15
Emprunt 7% 1973	9,175	+70
CNE 3%	3,254	......
Air Liquide	568	......
BIC	454xc	+9
Bouygues	778	-4
BSN Gervais	2,660	+10
CIT-Alcatel	1,440	-15
Carrefour	1,640	+90
Club Mediter'n	806	+21
CFAO	550	-2
Cie Bancaire	490	-0.5
Cofimeg	226	+2
Creusot Loire	53	-2
Darty	880	+5
Dumez S.A.	899	-2
Eaux (Cie Gen)	557	+25
Elf-Aquitaine	214	+5
Gen. Occidentale	685	+7
Imetal	88.9	+1.9
Lafarge Coppee	336	..
L'Oreal	2,202	-28
Legrand	2,215	-70
Maisons Phenix	330	......
Matra S.A.	1,880	-85
Michelin B.	1,010	-10
Midi (Cie)	1,488	-35
Moet-Hennessy	1,390	......
Moulinex	105.5	+0.5
Nord Est	53	-0.3
Pernod Ricard	738	+1
Perrier	533	+17
Petroles Fra.	213.9	-0.1
Peugeot S.A.	253	+5
Poclain	73.9	+3.7
[illegible]	[illegible]	[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

Feb. 1	Price Frs.	+ or —
[illegible]	[illegible]	[illegible]
Intercom	1,890xr	+15
Kredietbank	7,200	-120
Pan Hldgs.	9,750	..
Petrofina	7,050	+60
Royale Belge	8,320	+70
Soc. Gen. Banq	3,235	-10
Soc. Gen. Belge	1,825	+25
Sofina	6,700	+100
Solvay	4,300	-50
Traotionel	3,605	+25
UCB	5,400	+20
Vieille Mont	4,520	+50

NETHERLANDS

Feb. 1	Price Fls	+ or —
ACF Holding	215	......
Aegon	146	+7.5
Ahold	236	+3.5
AKZO	121.7	+1.7
ABN	442.5	+3.5
AMEV	163	+3.5
AMRO	81.3	+0.7
Bredero Cert	222	+5
Bos Kalis Westm.	51.6	+0.7
Buehrmann-Tet.	75	+1.2
Calland Hldgs.	41	-0.5
Credit Lyon'is Bk	63.8	-0.5
Elsevier-NDU	575	+10
Gist. Brocades	176.3	-4.8
Heineken	152.5	+9.3
Hoogovens	58.5	-1.5
Hunter Douglas	27.4	+0.4
Int-Mueller	44.8	+3.8
KLM	230	-2.5
Naarden	47.5	......
Nat Ned Cert.	248.3	+6.8
Ned.Credit Bank	38.7	......
Ned Mid Bank	198	+18.5
Nedlloyd	130	+2.5
Oce Grinten	261	+0.5
Ommeren (Van)	34.5	+1.9
Pakhoed	75	+1.5
Philips	47.7	+0.6
Rijn-Schelde	4.8	......
Robeco	349.5	+1.5
Rodamco	130.9	+0.2
Rolinco	335	+1.5
Rorento	204.4	+0.4
Royal Dutch	161.9	+0.9
Unilever	276.7	+1.0
VMF Stork	116.5	+1.0
VNU	169	+2
West Utr Bank	136	-0.5

NORWAY

Feb. 1	Price Kroner	+ or —
Bergens Bank	159	-4
Borregaard	242.5	......
Christiania Bk.	157	-1
Den Norsk Credit	169	-4
Elkem	156	-1
Norsk Data	282.5	-2.5
Norsk Hydro	587.5	+2.5
Storebrand	208	-1

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

Feb. 1	Price Frs.	+ or —
[illegible]	[illegible]	[illegible]
Oer-Buehrle	1,520	-5
Pirelli	255	-4
Sandoz (Br)	7,175	-25
Sandoz (PtCts)	1,100	-25
Schindler (PtCts)	650	...
Swissair	1,080	+30
Swiss Bank	339	-1
Swiss Reinsce.	8,075	-75
Swiss Volksbk.	1,545	+5
Union Bank	3,545	-10
Winterthur	5,120	+20
Zurich Ins.	8,325	-175

ITALY

Feb. 1	Price Lira	+ or —
[illegible]	[illegible]	[illegible]
Fiat	4,140	-120
Finsider	45	+1
Generali Assicur	39,000xc	-10
Invest	3,420	-59
Italcementi	45,350	+550
Montedison	247.6	+0.6
Olivetti	4,405	-95
Pirelli Co	3,386	-15
Pirelli Spa	1,858	+26
Snia BPD	1,620	+5
Toro Assic.	14,100	+100
do. Pref.	11,000	+10

AUSTRALIA

Feb. 1	Price Aust $.	+ or —
ANZ Group	5.4xc	-0.08
Acrow Aust.	1.45	......
Alliance Oil D.	0.86	-0.01
Ampol Pet	1.85	......
Aust Cons Ind	1.88	+0.01
Aust. Guarant	3	-0.1
Aust. Nat. Inds	2.62	......
Aust. Paper	2.26	-0.02
Bell Group	5.3	+0.06
Bond Corp Hldgs	1.55	......
Boral	3.42	-0.08
B'ville Copper	2.48	+0.07
Brambles Inds	3.2	-0.05
Bridge Oil	3.3	......
BHP	13.65	+0.05
CRA	5.5	+0.1
CSR	4.13	......
Carlton Utd	3.82	+0.44
Castlemaine Tys.	4.45	-0.05
Coles (G.J.)	3.75	-0.07
Comalco "A"	3.2	......
Consolidated Pet	0.93	+0.05
Costain Aust.	1.35	......
Dunlop Aust.	1.68	-0.02
E.Z. Inds	6.84	+0.14
Elders IXL	4.55	+0.07
Energy Res	1.75	+0.05
Gen Prop Trust	2.18	-0.02
Hardie (J.)	3.6	-0.05
Hartogen Energy	2.7	+0.1
HeraldW'y Times	3.1	-0.05
ICI Aust	2.15	-0.08
Jimb'lana 50cFP	0.3	......
Kiaora Gold	0.16	......
Lend Lease	4.8	+0.45
MIM	3.36	+0.01
Mayne Nickless	2.8	......
Meekatharra	0.9	+0.08
Myer Emp.	2.1	-0.06
Nat. Com. Bk.	3.9	......
News	12.7	-0.3
Nicholas Kiwi	3.5	......
North Bkn Hill	3.1	......
Oakbridge	0.98	......
Otter Expl.	0.45	......
Pancont'l	1.4	+0.01
Pioneer Conc	1.82	-0.02
Reckitt & Coln	2.85	+0.05
Repco	1.38	+0.03
Santos	7.68	......
Smith (H.)	4.2	......
Southland Min'g.	0.28	......
Spargos Expl	0.35	-0.03
Thos. Natwide	2.26	-0.05
Tooth	5	......
UMAL Cons	3.6	+0.02
Vamgas	3.4	......
Western Mining	4.2	-0.05
Westpac	3.97	-0.01
[illegible]	[illegible]	[illegible]

HONG KONG

[illegible]

JAPAN

Feb. 1	Price Yen	+ or —
[illegible]	[illegible]	[illegible]
JAL	2,950	-70
Jusco	858	+8
Kajima	308	-2
Kao Soap	700	+5
Kashiyama	663	-13
Kirin	587	+22
Kokuyo	1,070	+10
Komatsu	509	-1

JAPAN (continued)

Feb. 1	Price Yen	+ or —
Konishiroku	735	+10
Kubota	327	......
Kumagai	440	-4
Kyoto Ceramic	11,060	+160
Maeda Const.	503	-3
Makino Milling	1,370	-60
Makita	1,300	-20
Marubeni	281	-6
Marudai	668	-2
Marui	1,240	+20
MEI	1,970	+20
M'ta Elec Works	700	-9
M'bishi Bank	675	-5
M'bishi Corp.	335	-4
M'bishi Elec.	425	......
M'bishi Estate	472	+1
MHI	252	-1
Mitsui Co	352	......
Mitsui Estate	733	-7
Mitsukoshi	382	-3
NGK Insulators	665	-8
Nihon Cement	210	-3
Nippon Denso	1,600	......
Nippon Elect	1,300	-10
Nippon Express	303	-8
Nippon Gakki	640	+10
Nippon Kokan	147	-1
Nippon Oil	1,010	+12
Nippon Seiko	605	......
Nippon Shimpan	745	-5
Nippon Steel	175	......
Nippon Suisan	387	-1
NTV	11,990	+690
Nippon Yusen	253	-3
Nissan Motor	745	-5
Nisshin Flour	484	+2
Nisshin Steel	177	-2
Nomura	760	+1
Olympus	1,090	......
Omron Tateisi	2,130	+30
Orient Leasing	2,940	+400
Pioneer	3,800	+50
Renown	730	-10
Ricoh	1,100	+10
Sankyo	682	+2
Sanyo Elect.	555	-3
Sapporo	414	+3
Sekisui Prefab	884	-1
Seven-Eleven	8,550	-70
Sharp	1,380	-20
Shimadzu	574	+4
Shionogi	740	-10
Shiseido	1,010	-10
Sony	3,850	-100
Stanley	781	-14
S'tomo Elect	867	-2
S'tomo Marine	287	......
S'tomo Metal	165	-2
Taihei Dengyo	560	-6
Taisei Corp	218	......
Taisho Pharm.	957	-18
[illegible]	[illegible]	[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

Feb. 1	Price Rand	+ or —
[illegible]	[illegible]	[illegible]
Rembrandt	22.5	......
Rennies	12.5	......
Rust. Plat	13.55	+0.35
Sage Hldgs	6.95	......
SA Brews	7.35	+0.20
Smith (C.G.)	24	......
Tongaat Huletts	11.75	......
Unisec	5.25	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK -DOW JONES

	Feb 1	Jan 31	Jan 30	Jan 27	Jan 26	Jan 25	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1212.31	1220.58	1221.52	1236.0	1228.69	1231.89	1286.64 (6/1)	1220.58 (31/1)	1287.2 (29/11/83)	41.22 (2/7/32)
Transport	550.6	554.69	552.18	567.15	571.52	573.01	612.63 (6/1)	552.18 (30/1)	612.63 (6/1/84)	12.23 (8/7/32)
Utilities	132.85	132.76	132.71	132.66	131.79	132.08	134.83 (6/1)	130.39 (20/1)	163.32 (20/4/69)	10.05 (28/4/42)
Trading vol 1000's†	10710	13550	3120	3690	11150	13470	-	-	-	-

	Jan 27	Jan 20	Jan 6	(Year Ago Approx)
Ind div yield %	4.43	4.33	4.23	5.08

STANDARD AND POORS

	Feb 1	Jan 31	Jan 30	Jan 27	Jan 26	Jan 25	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	183.03	183.9	183.33	184.6	185.08	185.88	190.64 (6/1)	183.33 (30/1)	193.22 (22/6/83)	3.52 (30/6/32)
Composite	162.73	163.41	162.87	163.94	164.24	164.84	169.28 (6/1)	162.87 (30/1)	170.99 (22/6/83)	4.4 (1/6/32)

	Jan 25	Jan 18	Jan 11	Year Ago (Approx)
Ind div yield %	3.76	3.69	3.68	4.51
Ind. P/E Ratio	13.49	13.70	13.74	11.85
Long Gov Bond Yield	11.54	11.51	11.66	10.87

N.Y.S.E ALL COMMON

Feb 1	Jan 31	Jan 30	Jan 27	1983-84 High	1983-84 Low
-	-	-	-	442.62 (6/5)	78.79 (24/1)

RISES AND FALLS

	Feb 1	Jan 31	Jan 30
Issues traded	1984	1985	1806
Rises	631	734	464
Falls	959	829	172
Unchanged	394	422	370

MONTREAL

	Feb 1	Jan 31	Jan 30	Jan 27	1983-84 High	1983-84 Low
Industrials	428.62	428.75	429.41	433.5	451.4 (6/1)	428.75 (31/1)
Combined	413.63	414.28	415.8	418.8	433.87 (6/1)	414.28 (31/1)
TORONTO Composite	-	-	2480.0	2584.3	2585.7 (6/1)	2480.0 (30/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Feb. 1	Jan. 31	Jan. 30	Jan. 27	1983/84 High	1983/84 Low
AUSTRALIA						
All Ord. (1/1/80)	765.7	765.9	(c)	765.7	787.9 (9/1/84)	487.8 (4/1/83)
Metals & Mnls. (1/1/80)	524.2	526.5	(c)	517.5	614.2 (5/9)	411.8 (4/1/83)
AUSTRIA						
Credit Aktien (2/1/62)	56.47	55.62	55.68	55.63	59.8 (5/5)	48.49 (15/2)
BELGIUM						
Belgian SE (31/12/63)	148.25	148.02	147.76	147.74	148.25 (1/2/84)	100.56 (4/1/83)
DENMARK						
Copenhagen SE (3/1/83)	220.49	219.65	(u)	221.45	225.21 (29/1/84)	100.00 (3/1/83)
FRANCE						
CAC General (31/12/82)	170.1	170.4	172.0	170.1	175.1 (25/1/84)	96.1 (3/1/83)
Ind Tendance (30/12/83)	111.0	110.8	115.4	111.8	114.7 (26/1/84)	99.4 (3/1/84)
GERMANY						
FAZ-Aktien (31/12/58)	369.73	365.14	366.01	365.99	369.73 (1/2/84)	241.89 (25/1/83)
Commerzbank (1/12/53)	1093.6	1079.6	1082.8	1082.2	1093.6 (1/2/84)	727.9 (25/1/83)
HONG KONG						
Hang Seng Bank (31/7/64)	1106.54	1102.58	1097.63	1055.67	1106.54 (1/2/84)	690.99 (4/10)
ITALY						
Banca Comm Ital. (1972)	229.57	226.41	223.07	219.55	229.57 (1/2/84)	160.45 (10/1/83)
JAPAN**						
Nikkei-Dow (16/5/49)	10200.8	10186.1	10235.7	10180.9	10235.7 (30/1/84)	7803.18 (26/1/83)
Tokyo SE New (4/1/68)	779.02	777.04	777.96	775.17	779.02 (1/2/84)	574.51 (25/1/83)
NETHERLANDS						
ANP-CBS General (1970)	178.9	176.6	177.9	175.5	178.9 (1/2/84)	100.7 (4/1/83)
ANP-CBS Indust (1970)	147.2	145.4	146.3	144.4	147.2 (1/2/84)	85.5 (4/1/83)
NORWAY						
Oslo SE (4/1/83)	247.85	247.62	247.53	247.47	247.85 (1/2/84)	98.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	(c)	1071.01	1063.88	1051.67	1071.01 (31/1/84)	712.25 (5/1/83)
SOUTH AFRICA						
Gold (1958)	(u)	829.5	808.2	809.0	1098.5 (1/2)	661.4 (1/11)
Industrial (1958)	(u)	967.7	985.1	985.1	1006.4 (9/1/84)	704.9 (5/1/83)
SPAIN						
Madrid SE (30/12/83)	109.75	109.19	(c)	109.52	109.82 (27/1/84)	100.00 (30/12/83)
SWEDEN						
Jacobson & P. (1/1/58)	1567.29	1552.88	1560.39	1549.26	1567.29 (1/2/84)	896.18 (3/1/83)
SWITZERLAND						
SwissBankCpn. (31/12/58)	377.0	379.5	388.7	380.7	388.7 (3/1/84)	234.4 (4/1/83)
WORLD						
Capital Intl. (1/1/70)	—	186.0	184.9	185.2	187.2 (20/1/84)	154.5 (3/1/83)

** Saturday January 28: Japan Nikkei-Dow 10,206.5. TSE 778.32.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Investors' indecision leads to quiet equity session and index settles slightly lower

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Jan 16	Jan 26	Jan 27	Feb 6
Jan 30	Feb 9	Feb 10	Feb 20
Feb 13	Feb 23	Feb 24	Mar 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

Equity investors adopted a more cautious approach yesterday. In markets undecided on whether to heed Wall Street's caution or respond to the CBI's optimism about the increased pace of the UK economic recovery, institutional operators tended to hold back. Consequently, the volume of business transacted in London equity markets was the lightest for some time.

Although the undertone remained firm with sizeable bids completed early in GEC, BOC and Plessey, blue chip industrials generally found the going slow. In the absence of later follow-through support, many began a steady drift lower. Illustrating the trend, the FT Industrial Ordinary share index showed a gain of 1.4 at 11 am but this proved to be the highest point of the day and the index closed 2.2 easier on balance at 829.2.

Movements among index constituents were usually confined to a couple of pence either way; recent U.S. favourite, Hawker declined 4 to 408p. London Brick also fell 4 to 154p as short-term holders became nervous awaiting fresh developments in the bid situation; Hanson Trust's 145p per share offer closes tomorrow.

Elsewhere, with company news again very thin on the ground, it was left to situation stocks to provide rare patches of colour. Just after midday, attention was focused on the bank pitches following the surprise announcement that the Gerrard and National bid talks had been terminated. The news brought a swift shake out in the latter's shares and sympathetic falls in other Discount Houses; G and N dropped 25 to 312p, after 295p, while Union lost 10 at 720p, after 705p.

Properties sustained sharp opening falls because of a Press article suggesting that property values were too high, but selling pressure gradually lifted and leading issues recovered from the worst levels. The bid scene was enlivened by Cluff Oil's offer for Oil and Associated Investment Trust, while further speculation about a possible U.S. bid surrounded Phoenix Assurance.

Government stocks took their cue initially from the overnight U.S. bond market which remained cautious awaiting details of the U.S. Treasury's $15bn refunding package. In markets still experiencing lack of institutional activity, longer-dated Gilts drifted off ⅛ before light demand restored most quotations to around Tuesday's list levels. Interest in shorter maturities was also slow but many stocks finally managed small improvements on balance.

Phoenix good again

Phoenix commanded proceedings again in Insurances, rising to 448p before closing a net 16 up on balance at 444p after persistent speculative buying fuelled by revived takeover hopes. Among other Composites, GRE put on 7 to 547p. Elsewhere, FAI firmed 5 to 335p in response to double first-half profits. By way of contrast, Stewart Wrightson lost 12 to 328p following agreement for the sale of its Galbraith Wrightson Shipping subsidiary to Samuel Montagu.

Discount Houses fluctuated after the Gerrard statement and the closing trend was mixed. Cater Allen finished 10 down at 450p but Alexanders, after falling to 358p, rallied to close a net 5 up on the day at 405p. Jessel Toynbee hardened 2 to 84p as did King and Shaxson, to 130p. Among foreign issues, Bank Leumi Le-Israel were adjusted 150 higher to 900p, while Deutsche reflected domestic influences with a gain of 3 points to £101¾. Minster Assets rebounded 4 to 136p in merchant banks after more speculation about a bid approach.

D-I-Y concern Unicorn made a bright debut in the Unlisted Securities Market; placed at 105p, the shares opened at 111p and touched 116p before settling at 114p.

Second-line Building issues continued to benefit from selective support. Bryant Holdings attracted useful demand following a broker's circular and put on 5 to 88p. Buyers also showed interest in Bellway, which firmed 6 to 126p, and John Finlan, up 8 at 190p. Among Timbers, Meyer International added 3 to 155p following a broker's lunch on Tuesday, while Travis and Arnold firmed 7 to 340p.

ICI fluctuated narrowly before sellers gained the upper hand and brought a close of 10 down at 612p. Among other Chemicals, R. H. Morley, dealt in the Unlisted Securities Market, jumped 7 to 46p on news that Technology Resource AG, an investment concern based in Switzerland, had acquired a 10 per cent stake in the company from three Isle of Man-based investments companies.

W. H. Smith wanted

W. H. Smith A, neglected of late, attracted steady support and advanced 12 to 138p; the interim results are scheduled for February 15. Other leading Stores finished a shade easier where altered, with Marks and Spencer 2 off at 224p. House of Fraser succumbed to sporadic profit-taking in the absence of developments concerning Lonrho's stake in the group and ended 4 easier at 280p. Lowndes, due to announce preliminary results this month, eased a couple of pence to 132p. Vantona Viyella, also due to reveal full-year figures shortly, closed 13 higher at 198p; while fresh speculative demand lifted Foster Brothers Clothing a similar amount to 124p. Among smaller-priced counters, Headlam were wanted and firmed 3 to 37p, while K. O. Boardman International rose 2½ to 14½p.

BICC drew occasional support and put on 7 to 282p, but other leading Electricals rarely strayed from their previous closing levels. Elsewhere, revived demand lifted Fidelity 15 to 175p and Logica 8 to 315p. Multitone rallied 5 to 110p.

Leading Engineers trended easier, but losses rarely exceeded a few pence and the underlying tone was described as still firm. Hawker, a recent U.S. favourite, drifted off to close 4 cheaper at 408p. GKN gave up 3 at 205p and TI a couple of pence at 204p. Brockhouse came to life with a rise of 7 at 40p as buyers took a favourable view of the recent Caparo rescue proposals. Staveley, overlooked recently, encountered buyers and put on 31 to 288p, while late support lifted Ransomes Sims 7 to 302p.

Leading Foods closed with small irregular movements. Tate and Lyle, down to 406p initially, steadied improved to close 5 dearer on balance at 415p. On the other hand, S. & W. Berisford, after touching 200p early on after comment on the annual results, drifted back to close a net 3 off at 195p. Elsewhere, Albert Fisher found support and firmed 4 to 95p, but Associated Fisheries shed that much, to 87p, on disappointment with the preliminary results.

BOC edge higher

Grand Metropolitan, a recent U.S. favourite, drifted back in the absence of fresh support to close 7 lower at 338p. Elsewhere in Hotels, Prince of Wales put on 6 to 118p after Taddale Investment's criticism of the proposed acquisition of St. George's Hotel London, W.1 and the latter's decision to vote against a £2.64m rights issue to finance the purchase.

With the exception of BOC, which edged up 7 to 305p ahead of next Tuesday's quarterly figures, leading miscellaneous industrials were inclined easier. Reed International drifted off 6 further to 436p following comment on the third-quarter results. Elsewhere, speculative demand lifted Fobel 17 to 93p and Hoskins and Horton 16 to 146p; Scottish Heritable Trust has a holding in the latter. Prestige Group responded to the preliminary results with a rise of 5 to 255p, while Equipu, still reflecting the good interim figures, improved a similar amount to 130p. London and Liverpool continued the recent recovery movement and put on 1½ further to 17p, after 18½p. Applied Computer were good again at 630p, up 10. Fresh support lifted Sketchley 5 more to 433p and Wm. Baird 6 further to 318p. Datastream put on 5 to 125p in a limited market, due shortly, while R. W. Toothill were noteworthy for a rise of 8 to 222p ahead of interim figures. Following Tuesday's news of the promotional talks with Mr Asil Nadir, some recent speculators decided to take profits in UKO International, which reacted to 155p before closing 6 off on balance at 160p. Elsewhere, counters encountered selling following a broker's visit to the company and gave up 5 at 157p.

Holiday issues returned to favour. Intasun rising 10 to 190p, and Horizon closing 6 dearer at 174p. Elsewhere in Leisures, casino concerns Pleasurama, 338p, and Aspinall, 133p, advanced 10 and 5 respectively. 3-D camera manufacturers Nimslo improved 10 to 31p reflecting domestic support in the wake of overnight demand on Wall Street.

Publishers were again dominated by Fleet Holdings which attracted "call" option business and rose 6 to 187p, after 188p, on confirmation that Mr Robert Holmes à Court now controls over 9 per cent of the equity.

Marked defensively lower following an adverse Press article, leading Properties staged a tentative rally when the early selling dried up and a few buyers ventured in. Initial double-figure falls were reduced, but one or two fairly sizeable losses still remained at the close. Land Securities and MEPC, both down to 263p at the outset, finished a net 7 off at the common price of 267p. Great Portland Estates touched 142p before settling only a couple of pence cheaper on balance at 148p. Recently-buoyant British Land shed 3 to 114p and Stock Conversion lost the same amount to 315p; the latter announced yesterday the purchase from Wimpey Property Holdings and Yorkshire General Life Assurance of the minority holdings in Haymarket Developments and Haysmith Developments for £3.3m. A few issues were more resilient and some even managed to improve. Haslemere Estates firmed 4 to 486p in a market short of stock and, in similar circumstances, C. H. Beazer put on 8 to a 1983-84 peak of 322p. Trafford Park Estates added 5 at 169p.

Textiles remained selectively firm. Allied stood out with a gain of 11 at 289p following favourable comment on the preliminary results plus a broker's investment recommendation. Coats Patons continued to respond to persistent support and closed another 4 up at 112p, while fresh speculative demand lifted Harold Ingram 38 to 448p, after a new high of 453p. Courtaulds rose 3 to 146p.

Oil and Associated Investment Trust were marked 20 higher at 164p following offer terms from Cluff Oil, 5 cheaper at 98p. Financials closed a shade firmer for choice with Mercantile House 10 better at 432p and Exco International 5 up at 645p. Hampton Trust, which recently announced the acquisition of a £4.5m portfolio of 8 properties, moved up 2½ to 32½p.

Britoil firm

A mixed Oil sector provided a firm feature in Britoil which closed a net 5 up at 230p on news of the acquisition of 50 per cent of Amax Petroleum Corporation's U.S. oil and gas interests at a cost of $83m. BP eased 3 to 442p and Tricentrol a like amount to 215p. Profit-taking unsettled LASMO which dropped 8 to 332p. Among the second-line oils Carless Capel touched a 1983-84 high of 250p prior to closing a net 5 to the good at 240p on hopes of a Government go-ahead for the Humbly Grove oil field in Hampshire. Other participants in the field to move higher included Hadson Petroleum, 6 up at 78p and Marinex which hardened 2 to 105p. The go-ahead for the Trafalgar House bid for Candecca encouraged support for Bristol Oil and Minerals which closed 3 firmer at 56p, after 59p. Weeks Petroleum Bermuda-registered stock dipped 10 to 460p on profit-taking.

Golds sharply higher

Mining markets staged another widespread advance led by South African Golds which registered their biggest one-day gains since late-November. The sector received an initial boost from the bullion market where gold raced ahead prior to closing a further $4.75 higher at $377.875 an ounce — its best closing level since January 3.

Persistent buying interest from Johannesburg and London prompted substantial gains throughout the list of Golds and this trend continued until the after-hours' business when American profit-taking left the majority of prices a shade below the day's best levels.

The Gold Mines index jumped 26.4 to 570.2 — a rise of 45.3 over the past six trading days.

Leading heavyweights showed Randfontein £4½ firmer at £91½ and Vaal Reefs a like amount to the good at £78. Gains in excess of a point were common to Buffels, £34¾, Kloof, £31½ and Western Holdings, £30¾. Among the cheaper-priced issues, East Daggafontein linked units surged 98 to 358p owing to heavy South African buying interest; the ordinary moved up 10 to 327p.

Financials were sharply higher across the board especially the London-domiciled issues where Hampton Areas closed 11 firmer at 223p amid vague bid rumours.

A firmer trend in base-metal prices allied to the encouraging performance of bullion led to a strong rally in recently-dull Australians. Leading diversified issues showed CRA 14 higher at 364p. Western Mining, operator of the Turtle 1 oil discovery well off the coast of Western Australia were a good market and moved up 4 to 276p. The speculative oil explorers involved in Turtle 1 also staged a substantial recovery, especially Canada Northwest Oil which rallied 10 to 48p. Home Energy jumped 20 to 100p, Cultus Pacific 4 to 23p and York Resources 7 to 35p. A buoyant Gold sector showed North Kalgurli 5 up at 72p and Poseidon 13 higher at 280p. Elsewhere Greenwich Resources closed 23 to the good at 183p following favourable Press comment.

Lonrho continued to dominate proceedings in Traded Options, recording 1,125 calls and 146 puts; the preliminary results are due February 9. Elsewhere, attention switched to mining issues. Consolidated Gold Fields and Vaal Reefs attracted 154 and 135 calls respectively, the latter's February 100's rising 4 to 11p. De Beers March 850 calls spurted 13 to 41p. Total contracts struck yesterday amounted to 3,370.

FINANCIAL TIMES STOCK INDICES

	Feb. 1	Jan. 31	Jan. 30	Jan. 27	Jan. 26	Jan. 25	year ago
Government Secs	83.98	83.02	83.08	82.75	82.83	82.87	77.18
Fixed Interest	87.11	87.41	87.47	87.43	87.27	87.24	78.22
Industrial Ord.	829.2	831.4	832.3	839.5	835.1	840.5	632.2
Gold Mines	570.2	543.8	534.3	531.5	530.6	529.1	673.3
Ord. Div. Yield	4.57	4.55	4.54	4.51	4.52	4.29	4.84
Earnings, Yld.% (full)	9.23	9.20	9.17	9.10	9.08	9.01	10.40
P/E Ratio (net) (*)	13.24	13.28	13.32	13.43	13.49	13.58	11.54
Total bargains	27,002	28,302	22,010	28,722	26,801	27,015	25,064
Equity turnover £m.	—	311.60	340.24	400.23	425.15	351.64	297.92
Equity bargains	—	25,669	28,604	28,811	28,189	23,076	23,843
Shares traded (mil)	—	174.2	205.5	239.0	245.8	197.9	201.6

10 am 832.0. 11 am 832.8. Noon 831.6. 1 pm 831.8. 2 pm 831.4. 3 pm 831.6.

Basis 100 Govt. Secs. 8/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=12.48.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.47 (30/1/84)	79.03 (12/1/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	840.5 (25/1/84)	598.4 (12/1/83)	840.5 (25/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 31	Jan. 30
—Daily Gilt Edged Bargains	159.1	166.3
Equities Bargains	153.4	185.3
Value	629.8	687.7
5-day Average Gilt Edged Bargains	157.9	158.6
Equities Bargains	171.5	170.1
Value	739.5	745.5

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Feb 1 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Jan 31 Index No.	Mon Jan 30 Index No.	Fri Jan 27 Index No.	Thurs Jan 26 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (205)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (32)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (34)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (64)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (196)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (47)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (83)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (48)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (484)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (121)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (107)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (747)	500.51	[illegible]	—	4.36	—	501.36	504.11	504.73	503.98	397.61

FIXED INTEREST

PRICE INDICES	Wed Feb 1	Day's change %	Tues Jan 31	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	118.34	+0.04	118.09	—	1.17
2 5-15 years	135.85	+0.01	135.04	—	1.49
3 Over 15 years	141.76	−0.03	141.80	—	0.00
4 Irredeemables	152.56	−0.21	152.88	—	0.00
5 All stocks	130.67	+0.01	130.69	—	1.07
6 Debentures & Loans	106.80	−0.34	106.86	—	1.31
7 Preference	81.95	+0.18	81.81	—	0.31

AVERAGE GROSS REDEMPTION YIELDS	Wed Feb 1	Tues Jan 31	Year ago (approx.)
British Government			
1 Low Coupons 5 years	9.72	9.72	9.25
2 15 years	10.09	10.09	10.87
3 25 years	9.71	9.69	10.83
4 Medium Coupons 5 years	10.98	11.00	11.77
5 15 years	10.69	10.65	12.05
6 25 years	10.73	10.69	11.75
7 High Coupons 5 years	11.15	11.17	11.95
8 15 years	10.87	10.88	12.37
9 25 years	10.17	10.17	11.79
10 Irredeemables	9.70	9.68	11.03
11 Debs & Loans 5 years	11.64	11.52	12.88
12 15 years	11.64	11.52	12.88
13 25 years	11.64	11.52	12.88
14 Preference	12.13	12.13	13.16

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.
● Corrected figures for 31/1/1984.

MONTHLY AVERAGES OF STOCK INDICES

	Jan.	Dec.	Nov.	Oct.
Financial Times				
Government Securities	83.15	82.90	82.88	81.62
Fixed Interest	87.13	86.13	85.65	84.69
Industrial Ordinary	810.6	759.5	724.8	693.5
Gold Mines	541.8	576.5	502.6	532.0
Total Bargains	26,042	19,443	19,832	19,519
F.T.—Actuaries				
Industrial Group	482.35	457.63	444.86	426.72
500 Share	525.21	496.70	487.12	472.33
Financial Group	389.02	367.51	356.37	320.19
All-Share (750)	491.58	464.97	451.84	435.03

	Jan. High	Jan. Low
Industrial Ordinary	840.5 (25th)	770.3 (4th)
All-Share	504.73 (27th)	470.05 (1st)

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C $350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$377.50
GOLD / SILVER / AKZO / AMRO / HEIN / HOOG / KLM / NEDL / PHIL / RD / UNIL series	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 30,561
A=Ask B=Bid C=Call P=Put

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues close	Day's change
UKO Intnl	30	166	+13
Belgrave B'hlh	23	170	+15
Phoenix Assur	20	428	+15
Brsfrd (S &W.)	15	138	−2
Tricentrol	13	218	+8
Beecham	12	312	−3
GKN	12	208	+5
Lon & Liv Tst	12	15½	+2
LASMO	12	340	+5
Mercantile Hse	12	422	−3
Powell Duffryn	12	334	−6
Rank Org	12	229	+1
BTR	11	419	−5
RTZ	11	672	−2

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983-84 High	1983-84 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983-84 High	1983-84 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983-84 High	1983-84 Low	Stock	Closing price p	+ or −
300	Nil	17/2	436	400	Carlton Communications 5p	425	+3
92	F.P.	10/2	152	113	Charterhouse Pet.	149	
R28.30	Nil	17/2	350	150	East Dagga Linked Units	358	+86
160	Nil	13/2	48pm	36pm	Ellis & Everard	46pm	
32	F.P.	24/2	47	35	Hermon Smith 10p	43	
32	Nil	6/3	4pm	3½pm	Jones (Edward) 10p	4pm	
30	F.P.	9/3	58	49	Meggitt 5p	51	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ● Provisional or partly-paid allotment letters. ■ Allotment letters (or fully-paid). ‖‖ Introduction. ✤ Unlisted Securities Market. § Placing price. †† Official London listing.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Jan 23	Feb 3	Apr 26	May 8
Feb 6	Feb 17	May 10	May 21
Feb 20	Mar 2	May 31	June 11

For rate indications see end of Share information Service

Stocks favoured for the call included Chamberlain Phipps, Pearl Assurance, Tricentrol, Barratt Developments, Mellins, Stockley, Bristol Oil and Minerals, Booker McConnell, Anvil Petroleum, Fleet Holdings, Wheelock Marden A, Cultus Pacific, Immediate Business Systems, GRA, Northern Goldsmiths, Rockware, Unigate, Benford Concrete Machinery and Lonrho. Puts were taken out in Tesco, Polly Peck, Atlantic Resources and Ladbroke. No doubles were reported.

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (122)

BRITISH FUNDS (1)
CORPORATION LOANS (1)
AMERICANS (1)
BANKS (4)
BREWERS (2)
BUILDINGS (1)
CHEMICALS (6)
STORES (5)
ELECTRICALS (10)
ENGINEERING (10)
FOODS (3)
HOTELS (1)
INDUSTRIALS (22)
INSURANCE (6)
LEISURE (6)
MOTORS (2)
NEWSPAPERS (1)
PAPER (2)
PROPERTY (6)
TEXTILES (6)
TRUSTS (17)
OILS (4)
OVERSEAS TRADERS (1)
PLANTATIONS (1)
MINES (3)

NEW LOWS (5)

BUILDINGS (1)
Wiggins Group
ELECTRICALS (2)
Immed. Bus. Systems Office & Elect.
INDUSTRIALS (2)
Coin Inds.
LEISURE (1)
Riley Leisure

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	21	18	63
Corpns., Dom. and Foreign Bonds	9	12	56
Industrials	306	263	839
Financial and Props.	96	112	314
Oils	38	24	59
Plantations	5	2	13
Mines	101	10	60
Others	56	51	66
Totals	632	492	1,470

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Berisford (S. & W.)	195	−3
CRA	364	+14
Can North West Oil	48	+10
Carless Capel	240	+5
Fleet Holdings	187	+6
Gerrard and National	312	−25
Hapton Areas	223	+11
London Brick	154	−4
MEPC	267	−7
Phoenix Assurance	444	+16
Stylo	333	+3
UKO International	160	−6

LONDON TRADED OPTIONS

Option	Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*445)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Gold (*577)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*145)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union (*169)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*184)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*345)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*620)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secur. (*267)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp. (*224)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*661)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Barclays (*552)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gp. (*156)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LASMO (*336)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*132)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*272)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*196)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*672)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*$110)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Mar.	Calls June	Calls Sep.	Puts Mar.	Puts June	Puts Sep.
Beecham (*313)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bass (*323)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers (*$845)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen (*205)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson (*175)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco (*181)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Feb. 1. Total Contracts 3,370. Calls 2,846. Puts 524.
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY—Continued

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17½	+½	—	—	—
52	30	♥Allstate Expl. NL	30	......	—	—	—
10½	3¾	♥Asia Oil & Mins.	4¾	......	—	—	—
40	9	♥Australis Mng. NL	21½	......	—	—	—
25	11	♥Balmoral Res.	21	+2	—	—	—
60	29	♥Black Hill Mins.	32	+3	—	—	—
104	51	♥Bond Corp.	101	+1	Q10c	0.7	6.7
183	116	♥Bougainville 1 Kina	158	......	mQ3.21	1.2	1.3
396	204	♥CRA 50c	364	+14	tQ3c	—	0.5
145	60	♥Carr Boyd 20c	74	+2	—	—	—
44	25	♥Central Kalgoorlie	36	......	—	—	—
43	18	♥Central Pacific	22	......	—	—	—
9	2¼	♥Cons. Gold Mng Areas	4	......	—	—	—
17	5	♥Coopers Res N.L.	8	......	—	—	—
255	183	♥Crusader Oil	205	......	—	—	—
28½	8	♥Cultus Pac NL	23	+4	—	—	—
19	7	♥Eagle Corp 10c	10	......	—	—	—
215	96	♥Emperor Mines	180	......	—	—	—
16½	8	♥Endeavour 20c	16	......	—	—	—
58	17	♥Enterprise Gld Mines	25	......	—	—	—
810	500	♥GM Kalgoorlie 25c.	635	+15	hQ10c	♦	1.0
24½	6	♥Gt. Eastern Mines	23	+2	—	—	—
29	9	♥Great Victoria Gold	29	+5	—	—	—
32	15½	♥Haoma NW	19	+1	—	—	—
92	26	♥Hill Minerals N.L.	30	+2	—	—	—
41	13	♥Intnl Mining	14	......	—	—	—
20	5	♥Ivanhoe Gld. N.L.	8½	+¼	—	—	—

Tins

Miscellaneous

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	18	Admiral Mines	22	+2	—	—	—
90	34	♥Anglo-Dominion	72	......	—	—	—
93	48	♥Anglo Utd. Dev.	50	−2	—	—	—
400	180	♥Centenial Minerals	300	......	—	—	—
175	60	♥Colby Res Corp.	160	......	—	—	—
850	315	Cons. Murch. 10c.	800	+5	100c	♦	7.3
£17½	£10⅝	Eastern Trans Cons 50c	£15	......	Q85c	4.9	2.8
240	170	Hampton Areas 10p	223	+11	3.75	2.1	2.3
215	103	♥Highwood Res.	200	−5	—	—	—
£24½	£17½	Homestake Mining $1	£21⅝	+1	Q20c	—	0.7
495	275	Northgate C$1	315	−5	—	—	—
678	437	R.T.Z.	670	−3	t17.0	2.9	3.6
£148½	£108	Do.9⅛%Cn.Ln.'95-2000	£148½	......	Q9½%	32.5	f6.4
190	13	♥Sabina Inds C$1	98	+5	—	—	—
£11½	312	♥Tara Exptn $1	£11¼	+⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Deals in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value.

B Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p.	72	......	Fin. 13% 97/02.	£97	......
Bdg'wtr. Est. 50p.	330	+5	Alliance Gas	85	......
Craig & Rose £1	900	......	Arnott	217	......
Finlay Pkg. 5p	46	......	CPI Hldgs.	87	......
Higsons Brew.	82	......	Carroll Inds.	120	......
Holt (Jos) 25p	890	......	Hall (R. & H.)	63	......
I.O.M. Stm. £1	125xd	......	Helton Hldgs.	25	−2
			Irish Ropes	49	......
IRISH			Jacob (W. & R.)	67	......
Exch. 12% 1985	£99	......	T M G	70	......
Nat 9¼% 84/89	£86¼	......	Unidare	77	......

For Concrete Prods. see CPI

OPTIONS

3-month Call Rates

Industrials		House of Fraser	21	Vickers	12
Allied Lyons	13	I.C.I.	45	Woolworth Hld.	35
BOC Grp.	20	"Imps"	12		
B S R	18	I.C.L.	6	**Property**	
Babcock	15	Ladbroke	21	Brit. Land	9
Barclays Bank	45	Legal & Gen.	45	Cap. Counties	15
Beecham	28	Lex Service	35	Land Sec.	34
Blue Circle	40	Lloyds Bank	50	MEPC	24
Boots	17	"Lots"	3	Peachey	17
Bowater	22	London Brick	10	Samuel Props.	12
Brit. Aerospace	19	Lucas Inds.	16	Sterling Guar.	4
B.A.T.	14	"Mams"	12		
Brown (J.)	3	Mrks. & Spncr	20	**Oils**	
Burton Ord.	38	Midland Bank	42	Bristol Oil & Min.	6
Cadburys	11	N.E.I.	10	Brit. Petroleum	35
Courtaulds	11	Nat. West. Bank	55	Burmah Oil	16
Debenhams	14	P & O Dfd.	22	Charterhall	8
Distillers	20	Plessey	20	Premier	5
Dunlop	5	Racal Elect.	18	Shell	50
Eagle Star	60	R.H.M.	7	Tricentrol	20
F.N.F.C.	6½	Rank Org. Ord	19	Ultramar	60
Gen. Accident	42	Reed Intnl.	34		
Gen. Electric	17	Sears	8	**Mines**	
Glaxo	75	T.I.	14	Charter Cons.	22
Grand Met.	30	Tesco	16	Cons. Gold	50
G U S. 'A'	55	Thorn EMI	55	Lonrho	8
Guardian	45	Trusthouse	16	Rio T. Zinc	58
G K N	16	Turner & Newall	8		
Hawker Sidd.	32	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

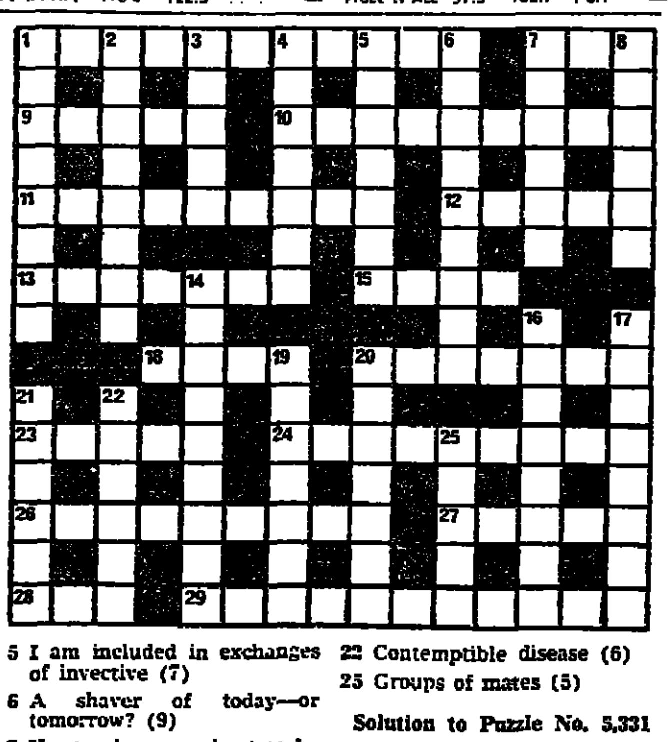
INSURANCES

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

F.T. CROSSWORD PUZZLE No. 5,332



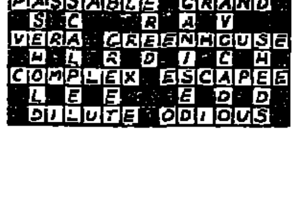
ACROSS

1 By law mother might be culpable (11)
7 Blade used by a cutter perhaps (3)
9 A creditor I would shortly make bitter (5)
10 Many awakening us with their revels (9)
11 Soviet city may be just a spot in the desert (9)
12 Miss Garbo was unusually great (5)
13 Anonymous male making a come-back in nude variety (7)
15 Gets harder scenes to play (4)
18 A complication that naturally goes against the grain (4)
20 He reformed under the influence of spirits (7)
23 Risk having a dog at home (5)
24 Organ rota for Pacific Isle (9)
26 Hold a parade now that April's here (5, 4)
27 A character in "The Tempest"—or one in "Lear" perhaps (5)
28 An amusing letter from Toby (3)
29 Clippers of the line? (7-4)

DOWN

1 Confirms what Goldilocks found (5, 3)
2 Bitterness shown by Army C.O. in trouble (8)
3 Dis duck—or dat? (5)
4 A plot that should ultimately bear fruit (7)
5 I am included in exchanges of invective (7)
6 A shaver of today—or tomorrow? (9)
7 Hungry boy—or about to be (6)
8 Black rock from Reg of uncertain age (6)
14 Roman ruin with style of kings (9)
16 Two music-makers dance (8)
17 Doesn't play for a new flat, sued (8)
19 Storm ruined a party (7)
20 Make your mark as a non-runner? (7)
21 Lot of Arabs (6)
22 Contemptible disease (6)
25 Groups of mates (5)

Solution to Puzzle No. 5,331



هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-629 1288

Black Horse Man. Fd.		245.19	.....	—
Managed Inc. Fd.	164.78	173.46	.....	—
Property Fd.	152.16	160.17	.....	—
Fixed Interest Fd.	148.30	156.11	.....	—
Cash Fd.	137.47	144.71	.....	—
Income Fd.	181.54	191.10	.....	—
Extra Income Fd.	174.41	183.59	.....	—
Worldwide Growth Fd.	233.27	245.55	.....	—
Balanced Fd.	163.11	171.71	.....	—
Smlr Co's & Recs. Fd	210.39	221.26	.....	—
Int. Technology Fd.	260.08	283.25	.....	—
Nth. Amer. & Gen. Fd.	162.45	171.00	.....	—
Energy Int. Fd.	108.48	114.19	.....	—
Pacific Basin Fund	149.90	157.80	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	118.6	124.9	.....	—
Property	120.0	126.3	.....	—
Equity	126.0	132.6	.....	—
International	135.4	142.5	.....	—
Fixed Interest	103.7	109.2	.....	—
Deposit	100.8	106.1	.....	—
Managed Pen. Cap.	119.4	125.7	.....	—
Property Pens. Cap.	121.4	127.8	.....	—
Equity Pens. Cap.	121.2	127.6	.....	—
Intnl. Pens. Cap.	141.9	149.4	.....	—
Fixed Int. Pens. Cap.	100.2	105.5	.....	—
Deposit Pens. Cap.	98.1	103.3	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Jan 31		187.1	.....	—
Retmt. Fed. Jan. 6		208.3	.....	—
Managed Pen Fund	191.5	201.6	−2.4	—
Property Pen Fund	117.4	123.6	+0.1	—
Index Lnkd Pen Fund	112.4	118.3	+0.8	—
Managed	129.5	136.4	+0.6	—
Property	106.2	111.8	.....	—
Gilt and Fixed Interest	108.6	114.4	−0.2	—
Index-Linked	97.7	102.8	−0.2	—
Equity	131.1	138.1	+1.2	—
Cash	105.9	111.5	.....	—
Midland Bk. Unit Tst.	127.3	134.1	.....	—
Midland Bank Intnl.	150.2	158.2	+0.1	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	127.4	134.2	.....	—
GT Pln High Yld Fnd	133.8	140.9	.....	—
GT Plan Far East Fnd	133.4	140.5	.....	—
GT Pln N. Am Fd	136.3	143.5	.....	—
GT Pln UK&G.E. Fnd	151.8	159.8	.....	—
GT Pln Wrldwde Fnd	156.6	164.9	.....	—
GT Pension Bnd Fnd	140.2	147.6	.....	—
GT Pen High Yld Fd	153.3	161.4	.....	—
GT Pen Far East Fd	165.3	174.1	.....	—
GT Pen N. Am. Fd	196.9	207.3	.....	—
GT Pen UK & G.E. Fd	175.6	184.9	.....	—
GT Pen Worldwide Fd	169.2	178.2	.....	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170.2	179.2	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	265.0	.....	—
Portfolio Fd. Init.	216.3	.....	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	286.9	302.1	.....	—
Money Fd.	157.2	165.6	.....	—
Equity Fd.	245.3	258.5	.....	—
Fixed Int. Fd.	118.6	125.0	.....	—
Property Fd.	175.4	184.8	.....	—
Managed Pen. Fd.	276.2	291.0	.....	—
Equity Pension Fd.	186.2	196.2	.....	—
Fixed Int. Pen. Fd.	168.1	177.1	.....	—
High Yield Pen. Fd.	165.9	174.8	.....	—
Money Pension Fd.	130.8	137.7	.....	—
Property Pension Fd.	129.3	136.2	.....	—
Gresham/Framlington				
American & Gen. Fd.	249.1	262.5	−1.3	—
Income Fd.	207.6	218.8	−1.1	—
Int'l. Growth Fd.	278.8	293.8	−0.9	—
Capital Fund	217.5	229.2	−0.6	—
Recovery Fund	164.1	172.9	−1.2	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	1,536	—	.....	—

OFFSHORE AND OVERSEAS

WestAvon Secs (Guernsey) Ltd
PO Box 304, St Peter Port, Guernsey 0481 27963

Gilt & Option Fd	£1.18	1.23	.....	2.50
US $ Option	$1.05	1.10	.....	—

World Wide Growth Management⊕
10a, Boulevard Royal Luxembourg

Worldwide Gth Fd	$12.86	+0.06	—

Inv. Adv. M & G Inv. Mngt. Ltd. London.

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Wren Com. Fund	22.2	23.1		—
Chinese Fund	62.8	65.3		—
Precious Metal Fund	121.7	125.7		—
Vanguard Cmdy. Fd	34.2	35.1		
Financial Futures Fd	61.2	63.7		
Wren Intl. Fd.*	$0.613	0.636		

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ø Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ∅ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Fisheries deal given cool reception

BY OUR COMMODITIES STAFF

THE EEC fisheries deal reached on Tuesday night was given a cool reception by the British fishing industry yesterday.

"We must recognise that it is infinitely better to have agreement in January than have to wait until December as we did last year," Mr Nigel Atkins, director general of the National Federation of Fishermen's Organisations, said. "But we have reservations in some key areas."

Chief among these were the fact that only an interim share-out had been agreed for North Sea herring and that talks on improving the EEC share of North Sea cod under an existing pact with Norway had not been completed.

There is also concern about continuing arrangements for closures of herring fishing in the central North Sea in late summer and sprat fishing north of Scotland in the winter. Both these issues have been referred for scientific review.

Agreement on dividing the EEC's fish quotas for all eight main species was reached after member states accepted upward revisions of the Total Allowable Catches in seeral areas, writes Ivo Dawnay in Brussels.

Atlantic mackerel, for example, was increased by 25,000 tonnes to 400,000 tonnes, with a special 7,400 tonnes, for Denmark inthe North Sea.

The main area of contention is still herring. Although Tuesday's agreement secures fishing until the end of July, a renewed share-out battle is expected with the Norwegians.

Commission officials have refused to acknowledge reports that the seven-month settlement of the Norwegian herring issue was won on the tacit understanding that Norway's 15,000-tonnes quota in EEC waters may be supplemented by a further 7,000-10,000 tonne catch in the Norwegian fleet's home seas.

EEC FISH QUOTAS 1984
(Main species in tonnes with 1983 levels in brackets)

	W. Germany	France	Netherlands	Belgium	UK	Denmark	Ireland	Total
Cod	84,380	36,390	23,230	8,230	117,910	234,350	11,520	516,010
	(82,980)	(35,240)	(24,250)	(9,150)	(131,070)	(215,690)	(11,720)	(512,100)
Haddock	7,110	19,340	1,120	1,670	140,840	18,615	4,370	193,065
	(7,120)	(19,940)	(1,120)	(1,700)	(145,410)	(17,880)	(4,730)	(197,900)
Saithe	21,100	69,850	190	80	20,840	7,550	3,040	122,700
	(18,760)	(64,340)	(170)	(80)	(19,060)	(6,630)	(3,060)	(112,100)
Whiting	3,900	37,510	8,630	3,680	79,480	34,190	17,800	185,190
	(4,400)	(41,550)	(10,190)	(4,300)	(90,200)	(36,880)	(17,800)	(205,520)
Plaice	9,860	7,250	46,890	12,030	53,710	46,110	3,070	198,920
	(8,900)	(7,340)	(40,420)	(11,080)	(49,070)	(43,730)	(3,070)	(183,610)
Mackerel	25,600	17,100	37,300	100	234,700	7,400	85,300	407,500
	(24,000)	(16,000)	(35,000)	(—)	(220,000)	(6,500)	(80,000)	(381,500)
Herring	6,890	7,150	14,290	2,490	12,520	10,930	—	54,270
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)

Sugar forecast revised

BY RICHARD MOONEY

WORLD 1983-84 sugar production will fall short of consumption by 3.59m tonnes, World Sugar Journal (WSJ) estimates.

In its latest issue the magazine reduces its output estimate to 92.88m tonnes from 93.51m projected previously. The cut is largely due to a lower figure predicted for Indian production, which has been hit by unfavourable weather.

Having cut its projection by 500,000 tonnes to 7.5m, WSJ warns that continued bad weather could lead to further reductions. A large cut is also made in the Philippines output estimate which comes down by 350,000 tonnes to around 2m. total was 99.61m tonnes.

World consumption is now put at 96.47m tonnes in 1983-84, 690,000 tonnes below the previous estimate but still above the 1982-83 total of 93.8m tonnes.

On the London futures market yesterday sugar prices eased back with the May quotation ending £2.10 down at £140.625 a tonne. Dealers said there were no new developments but noted that rumours of Cuban buying interest seemed to be having less influence.

The result of yesterday's weekly sugar export tender in Brussels had little impact on the market, although total allotments were higher than expected. The EEC Commission granted export licences covering 77,350 tonnes of white sugar, up from 30,000 tonnes last week, with a maximum export rebate of 35.44 ECUs per 100 kilos, the same as last week's.

Copper rises in London

BY OUR COMMODITIES STAFF

THE CONTINUED strength of precious metals and fresh encouragement from U.S. economic indicators helped lift copper prices on the London Metal Exchange yesterday. Cash high grade cathodes ended £12.50 up at £1,005.50 a tonne.

The rise was backed up by Asarco raising its U.S. selling price by 2 cents to 69 cents a lb (delivered) and in Europe by Copper Range lifting its base price 1.5 cents to 67.5 cents.

There were also producer price rises for zinc following the lead given by Cominco and AM & S Europe yesterday. Noranda Mines and Electrolytic Zinc of Australia both went up $40 to $1.050 a tonne for sales outside North America and Preussag of West Germany went up $30 to $1.040.

On the LME the cash zinc price fell from Tuesday's 9½-year high to close £6.75 down at £734.75 a tonne. Dealers said early buying was encouraged by the producer price rises but profit-taking set in around the £720 a tonne area. The market was still waiting to see if major North American producers would follow Huron Valley Steel by raising their U.S. prices by 2 cents a lb, they said.

● Copper should start regaining lost markets this year helped by expected high aluminium prices and an upturn in most industrial economies, according to the inter-governmental Council of Copper Exporting Countries (Cipec).

In Cipec's latest quarterly report Mr Edward Llosa, secretary general, says: "The copper industry is now entering a phase of positive substitution at the expense of aluminium, and this could be the opportunity for which the industry has been waiting."

CANNED FRUIT

U.S. failure aids peach producers in their bruising battle for exports

BY A CORRESPONDENT

LESS than a year ago the South African Government decided to give its hard-pressed canned fruit exporters a further year's grant of £2.5m and help the industry meet interest payments on a £11.5m loan.

Australian exporters far from reacting with dismay, welcomed the help to their competitors for the £100m British market, for they saw it as a lever with which to praise similar relief from their own Government. However, the Australian industry was told to put its house in order before the case was considered further.

The industry has obliged. Whereas in 1982 four major Australian canners recorded losses of more than £6m between them, last year two of them, Ardmona and SPC, made profits totalling about £2m, and the other two, Leeton and Riverland, are expected to have taken the recovery still further when their results are known.

Shortage

Much of the improvement has been produced by cutting output and disposing of stocks, but just as important was the gap that opened up in world supplies when a Californian co-operative collapsed with losses said to exceed £250m just before the last harvest, leaving fruit to fall and rot or be fed to pigs.

The scale of the American failure, precipitated by the same sort of decline in consumer buying that has afflicted the British market, can be gauged from the fact that it cut the country's average peach production of around 20m cartons by more than a third, creating a hole larger than South Africa's output of 4m cartons and Australia's output of 2.5m combined.

Prices are still not where Australia and South Africa, who on the British market face a common EEC tariff of up to 24 per cent, want them. Canners in both countries would like returns to be about 40 per cent higher than they have been. But last year's shortage, coupled with what some traders think was unnecessary price-cutting by retailers, boosted sales and set the scene for increases this year.

Increases

South Africa recently announced 1984 price increases of 15 to 19 per cent, and Australia soon afterwards came out with opening rates 5 per cent above current levels and 12 per cent ahead of those for 1983.

The Australian view is that prices should be raised gradually rather than in a sudden leap which could frighten away the consumer. The new rates apply only to shipments up to April 30, when they will be revised.

Markets affected most by the American lapse are those of Japan, Canada and Scandinavia, into which other suppliers have not been slow to step—including Greece, whose canned fruit production, along with Italy's, has been expanding under the aegis of the Common Market while the more traditional supplies to the British and other European markets have receded.

Seven years ago Greece supplied less than 5 per cent of the UK intake of peaches. By 1979 the proportion had grown to almost 10 per cent and last year exceeded 30 per cent.

Over the same period South Africa's deliveries of peaches to Britain shrank from about 64 per cent of the market to less than 33 per cent, although Australia managed to enlarge its share from 9 per cent to 30 per cent.

Survival

In pears, Italy has achieved a market penetration approaching 30 per cent, mainly at the expense of South Africa whose portion had by last year shrunk to the same size of Italy after having stood at more than 42 per cent in 1979.

Australia and South Africa, confronted by the EEC's steep tariff wall, have been mauled in their fight to hang on to what they can of the UK market. Well-known names have gone under, growers have turned to other kinds of farming and survival has been possible only with state aid.

Handicapped as they are, the non-EEC suppliers are forced to compete on quality rather than price, and the slimming they have had to undergo will have served, among other things, to raise their standards still further.

Competing on quality has not, however, been easy, with the market contracting, recession and unemployment making consumers count every penny and, until recently, too many pears and peaches chasing too few purchasers.

The exporters have been waiting for an economic upturn and freer consumer spending. Meanwhile, however sad for those involved, the Californian misfortune has come to the rescue of those southern hemisphere producers trying to bridge the gap to better times.

Price of potatoes increases

POTATO prices for April delivery on the London futures market moved up strongly again yesterday reflecting higher Dutch prices and talk of a shortage looming on the UK physical market.

The price ended the day £7.30 higher at £206.70 a tonne.

Rumours that Algeria had bought 35,000 tonnes of small potatoes from the Netherlands encouraged the Dutch market, which was already running at a substantial premium to London.

● TEA prices at London's Monday auction averaged 290.47p a kilo, down from 302.87p last week, the Tea Brokers' Association of London said yesterday. The auction average has fallen 25.57p from the record high it reached on January 16.

● SOVIET Union officials cannot disclose the exact figures for the grain harvest over the past two years because they are "still counting," the Deputy Planning Minister, Mr Pyotr Paskar, said in Moscow. The 1982 harvest was not bad and the 1983 harvest had been better, he said.

● AVIAN flu has hit six more premises in Virginia and one more in the Pennsylvania/New Jersey/Maryland quarantine area, the U.S. Department of Agriculture said. So far 10.1m birds on 380 premises have been destroyed in the three-state area and 18,701 birds have been destroyed on two of the six infected premises in Virginia.

● SOUTH AFRICAN farmers say it is too early to assess crop damage resulting from cyclone Domoina, which continues to bring heavy rains to large parts of Natal province in the east of the country. They said they had been unable to contact local farmers in the province and in an area north of Swaziland which also received heavy rains.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 1 1984	+ or —	Month ago
Metals			
Aluminium	£1100	...	£1100
Free Mkt	$1530 560	..	$1580/610
Copper			
Cash h Grade	£1005.5	+12.5	£998.75
3 mths	£1021.5	+12.25	£1026.25
Cash Cathode	£995.5	+11	£979.5
† 3 mths	£1016.25	+12.5	£1005.5
Gold troy oz.	$377.875	+4.75	$375.375
Lead Cash.	£278	—1	£287.25
3 mths	£286.75	+0.5	£287.5
Nickel	£4948		£4813
Free Mkt	207/227c	...	208/228c
Palladium oz.	$162.00	+1.25	$156.50
Platinum oz.	£274.20	—0.85	£266.15
Quick silver†	$302 308	.	$305.310
Silver troy oz	618.70p	+18.05	599.90p
3 mths	632.80p	+18.70	613.60p
Tin cash.	£8615	—20	£8562.5
3 months	£8725.5	—18	£8742.5
Tungsten	$74.41		$73.43
Wolfram22.04lb	$74 78		$71 75
Zinc	£724.75	—6.75	£644.5
3mths.	£716.25	—1.25	£648.5
Producers	$1,010-060	...	$980

	Feb. 1 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1125v	+5	$1045
Groundnut	$1020v	....	‡
Linseed Crude	£444	..	‡
Palm Malayan	$810u	+5	$750
Seeds			
Copra Phil.	$720v	..	$685
Soyabean(U.S.)	$298.5	..	$322
Grains			
Barley Fut. May	£120.00	—0.20	£122.90
Maize	£145.50w	...	£148.50
Wheat Fut. May	£122.05	...	£122.10
No 2 Hard Wint	‡	..	‡
Other commodities			
Cocoa ship't*	£1943	—9	£2020
Futures May	£1880.5	+4	£1934
Coffee Ft. May	£1959	—20.5	£1927
Cotton A Index	88.35c	+0.35	88.50c
Gas Oil Mar	$249	+2.75	$248.5
Rubber (kilo)	91p		85p
Sugar (raw)	£127.5yz	+1	£122
Woolt'ps 64s	466p kilo		488pkilo

‡ Unquoted. u April. z March. x May. v Feb-March. y Jan-Feb. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cent per pound.

LONDON OIL

Bullish American Petroleum Institute figures brought the market in between $2.00-$2.50 higher. After a brief rally to $3.00 higher the market settled back in thin volume. Whilst New York rose rapidly on its opening and remained strong London was unaffected, though strong buying emerged on the close and the market finished on a strong note, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.70	—0.05
Iranian Light	27.70-27.85	—
Arab Heavy	26.40-26.50	—0.05
North Sea (Forties)	29.55-30.00	+0.07
North Sea (Brent)	29.90-30.10	+0.18
African Bonny Lt'ht	29.50-29.80	+0.03
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	268-271	—
Gas Oil	254-262	3.5
Heavy fuel oil	176-179	+0.5

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	—	—	—
Mar	29.40	+0.20	29.30
Apr	29.40	+0.25	29.50-29.25
May	29.30	+0.25	29.50-29.15
June	29.20	+0.33	29.20-29.05
July	29.10	—0.25	28.95
Aug	29.80	—	—

Turnover: 714 (52) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Feb.	254.75	+2.25	256.75-254.2
Mar.	249.00	+2.75	250.50-248.2
April	243.50	+3.50	244.00-242.0
May	239.75	+3.25	240.50-239.0
June	239.50	+3.75	233.75-238.5
July	238.75	+3.25	238.75
Aug.	243.50	+4.50	243.50
Sept	245.00	+4.00	—
Oct.	244.00	—	—

Turnover: 2,175 (2,346) lots of 100 tonnes.

GOLD MARKETS

Gold rose $4¼ an ounce from Tuesday's close in the London bullion market yesterday to finish at $377¼-378¼. The metal opened at $376-376½, its lowest point of the day and traded up to a high of $379¾-380¼. There were no new factors behind the firmer trend however.

In Frankfurt the 12½ kilo bar was fixed at DM 34,090 per kilo ($378.25 per ounce) against DM 33,690 ($372.52) and closed at $378-378½ from $373½-374.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $378.40 from $372.0.

In Paris the 12½ kilo bar was fixed at FFr 104,200 per kilo ($378.04 per ounce) in the afternoon compared with FFr 104,000 ($377.06) in the morning and FFr 103,100 ($372.46) on Tuesday afternoon.

In Zurich gold finished at $377¼-377¾ from $373¼-373¾.

LONDON FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ per troy ounce		
Feb.	377.00-79.00	—4.25	379.00-78.50
April	383.50-86.60	—4.55	385.20-83.00
June	388.70-89.50	+3.95	—
Aug.	394.50-96.00	+3.90	—
Oct.	400.50-02.00	+3.25	—
Dec	407.00-08.00	+2.90	—

Turnover 450 (645) lots of 100 troy ounces.

	Feb. 1		Jan. 31	
Gold Bullion (fine ounce)				
Close	$377¼-378¼	(£267¾-268¼)	$372¾-373¼	(£266¼-267¼)
Opening	$376-376½	(£267¼-267¾)	$370-370¼	(£263-263½)
Morning fixing	$377.25	(£268.333)	$371.90	(£264.980)
Afternoon fixing	$378.15	(£268.630)	$373.75	(£266.261)

Gold and Platinum Coins Feb. 1

Krugrnd	$389½-390	(£276¼-276¾)	King Sov	$90-91½	(£64-65)
½ Krug.	$200½-201½	(£142¼-143¼)	Victoria Sov	$90-91½	(£64-65)
¼ Krug.	$103½-103¾	(£72¾-73¼)	French 20s	$74½-76½	(£52½-54)
1/10 Krug.	$41¼-42½	(£29¼-30¼)	50 Pesos Mex	$466-468	(£330½-331½)
Mapleleaf	$389½-389¾	(£276-276½)	100 Cor.Aust	$365-369	(£258½-261½)
New Sov	$89-89½	(£63-63½)	$20 Eagles	$535-545	(£379½-386¼)
½ New Sov.	$53¼-54	(£37¾-38¼)	Noble (Plat.)	$397½-402	(£282-285¼)

EUROPEAN MARKETS

ROTTERDAM, February 1

Wheat—(U.S. $ per tonne) U.S. No. 2 Red Winter: Feb 151, March 151.50, April 153, May 153.50, June 15?, July 15 145.75. U.S. No. 2 Northern Spring 14 per cent protein: Feb 190, March 191, April May 10 177, April May 176, May 177, June 175, July 174, Aug 171, Sept 107. U.S. No. 3 Amber Durum: Feb 205, March 207, April/May 191, June 191, July 190, Aug 187, Sept 182. Canadian Western Spring: April/May 206, June 205.

PARIS, February 1

Cocoa—(FFr per 100 kg): March 2250/2253, May 2275-2278, July 2265/2300, Sept 2260/2280, Dec 2222-2250, March 2220/2285, May 2220 bid.

Sugar—(FFr per tonne): March 1737-1738, May 1796-1800, Aug 1900-1905, Oct 1960-1970, Dec 2045-2065, March 2176-2180.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. COPPER gained ground, boosted by firmer bullion, to close the late Kerb at £1,027.5, after a high of £1,034, but ZINC eased to £716.25 on profit-taking. TIN was finally £8,780. LEAD £285.5. ALUMINIUM £1,106.5 and NICKEL £3,387.5.

COPPER

Amalgamated Metal Trading reported that in the morning Higher Grade: Three months traded at £1,131, 31.50, 31, 32, 31.50, 32, 32.50. Cathodes: Three months £1,019. Kerb: Higher Grade: Three months £1,032, 33, 34, 33.50. Afternoon: Higher Grade: Three months £1,030, 29, 28.50, 29, 28.50, 28, 28.50, 29, 28.50, 29, 29.50, 30, 29.50. Cathodes: Cash £996, three months £1,018. Kerb: Higher Grade: Three months £1,030, 29.50, 29, 28.50, 28, 27.50, 27. Turnover: 32,700 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1008-.5	+21.5	1005-6	+12.5
3 months	1031.5	+21.5	1029-30	+12.2
Settlem't	1008.5	—21.5	—	—
Cathodes				
Cash	998-1000	+19.7	995-6	+11
3 months	1018-9	+21	1016-.5	+12.5
Settlem't	979.5	+21.5	—	
U.S. pro'd	—	—	*65-70	

TIN

Tin—Morning: Standard: Cash £8,640, 32, three months £8,755, 50, 62, 60, 70, 80, 85, 86, 90, 91, 90. High Grade: Cash £8,700, three months £8,790. Kerb: Standard: Three months £8,790. Afternoon: Standard: Three months £8,790, 85, 80. High Grade: Cash £8,700, 8,695, three months £8,820. Kerb: Standard: Three months £8,775. Turnover 2,530 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8695-700	+20	8690-5	—9
3 months	8810-5	—11.5	8810-5	—13
Settlem't	8700	—20	—	
Standard				
Cash	8630-2	+28.5	8610-20	—20
3 months	8790-1	+20	8770-5	—18
Settlem't	8632	+27	—	
Straits E.	$29.15	—	—	
New York				

LEAD

Lead—Morning: Cash £278, 77.50, three months £289, 88.50, 88, 87.50, 87, 88, 87.50, 87, 86.50, 86. Kerb: Three months £286.50, 87, 87.50, 88. Afternoon: Three months £287, 86.50. Kerb: Three months £286.50, 86, 85.50. Turnover: 22,825 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	277-.5	—3	277.5-8.5	—1
3 months	286-.5	—.5	286.5-7	+.5
Settlem't	277.5	—3	—	
U.S. Spot	—		*24-28	

ZINC

Zinc—Morning: Three months £720, 19, 19.50, 19.75, 19.50. Kerb: Three months £719.50, 20. Afternoon: Three months £720, 18, 17, 16, 16.50. Kerb: Three months £716, 15, 16, 17, 16.50. Turnover 12,950 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	730-1	—12.7	734-5.5	—6.75
3 months	719.25-.5	—8.62	716-.5	—1.25
Settlem't	731	+13	—	
Primw'ts	—		*48-51	

ALUMINIUM

Aluminium—Morning: Three months £1,113, 12.50, 12, 11, 11.50. Kerb: Three months £1,111.50, 12, 12.50. Afternoon: Three months £1,111, 10, 9.50, 9, 9.50, 10, 9. Kerb: Three months £1,108, 7.50, 7. Turnover: 15,200 tonnes.

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1083-4	+2.5	1091-2	—1.5
3 months	1111-.5	—3	1108.5-9	—1.5

NICKEL

Nickel—Morning: Cash £3,310, three months £3,405, 3,400, 3,395, 92. Kerb: Three months £3,395, 3,400. Afternoon: Three months £3,390, 95, 3,400, 5, 2, 3,400. Kerb: Three months £3,390, 92, 85. Turnover 2,118 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3305-8	—14	3316-20	—4
3 months	3392-5	—9	3396-400	+7.5

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

SILVER

Silver was fixed 18.05p an ounce higher for spot delivery in the London bullion market yesterday at 618.7p. U.S. cent equivalents of the fixing levels were: spot 870.2c, up 27.2c; three-month 890.9c, up 28c; six-month 914c, up 28.8c; and 12-month 959.7c, up 29.3c. The metal opened at 616½-619½p (867-871c) and closed at 621½-624½p (876-880c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.m.E. p.m. Unoffic'l	+ or —
Spot	618.70p	+18.0	620.5p	—15
3 months	632.80p	+18.7	634.65p	+15.4
6 months	648.30p	+18.7	—	
12 months	678.70p	+19.0	—	

LME—Silver (2,000 oz contract): Three months 620.5p (605p). Turnover: 1 (2).

Turnover: 143 (160) lots of 10,000 ozs. Morning: Large three months 634.0, 34.5, 35.0, 36.0, 35.5, 36.0. Kerb: Large three months 636.0, 35.0. Afternoon: Large three months 634.0, 32.5, 32.0, 35.0, 34.5, 34.6; small three months 634.0. Kerb: Large three months 635.0, 34.0, 33.5, 33.0.

COCOA

In nervous conditions futures traded in a £40 range before ending the day at levels almost unaltered from the previous close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1882-83	—1.5	1900-63
May	1880-81	+4.0	1895-55
July	1850-52	—2.5	1874-36
Sept	1833-35	—9.5	1860-20
Dec	1814-17	—1.0	1832-02
March	1800-10	—4.0	1820-97
May	1780-10	—6.5	—

Sales: 6,997 (11,810) lots of 10 tonnes.

ICCO Indicator prices (U.S. cents per pound). Daily prices for Feb 1: 116.67 (116.29); five-day average for Feb 2: 120.26 (121.55).

COFFEE

During early dealings prices moved within a narrow range in light volume, reports Drexel Burnham Lambert. In the afternoon values declined on commission house liquidation which prompted a weak close. The pressure was mainly in the July contract.

COFFEE	Yest'day's Close	+ or —	Business Done
March	2076-80	—10.5	2090-73
May	1958-60	—20.5	1980-60
July	1886-89	—33.5	1930-85
Sept	1851-55	—30.5	1885-52
Nov	1826-30	—23.0	1858-30
January	1799.00	—22.0	1823-00
March	1785-90	—	1798-83

Sales: 2,954 (3,561) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for Jan 31. Comp. daily 1979 139.87 (139.73). 15-day average 139.04 (136.84).

GRAINS

Old crop wheat reached 65p up in early trading on stronger physicals while barley improved 40p. Values drifted for the rest of the day to close at the day's lows. New crops were quietly lower, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Mar	120.15	+0.20	118.55	—0.25
May	122.05	—	120.00	—0.20
July	123.10	—	—	—
Sept.	108.40	+0.05	106.50	—0.20
Nov	111.40	—	109.55	—0.20
Jan.	114.20	—	112.50	

Business done—Wheat: March 120.65-120.10, May 122.70-122.00, July 123.80-123.10, Sept 108.40-108.30, Nov 111.40-111.20, Jan 114.50-114.15. Sales: 266 lots of 100 tonnes. Barley: March 119.20-118.55, May 120.50-120.00, Sept 106.50 only, Nov 109.45 only, Jan untraded. Sales: 152 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: E Mids 119.40, N East 119.10, Scotland 119.30. The UK monetary coefficient for the week beginning Monday February 6 (based on HGCA calculations using 4 days exchange rates) is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Feb 145.75, March 146.50, April 136.50 trans shipment East Coast sellers. English feed fob Feb 123.75, April/June 125 East Coast sellers. Maize: French Feb 145.50, first half March 146 East Coast sellers. Barley: English feed fob March 124.75, April/June 125 East Coast sellers. Rest unquoted.

POTATOES

Erratic trading continued with a further recovery after the recent drop due to Dutch futures showing an improvement on prospects of the forthcoming Algerian tender, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Feb	152.80	151.00	155.0-152.50
April	206.70	199.40	208.0-208.50
May	218.30	211.00	219.00-215.0
Nov	77.00	76.50	—
Feb	87.00	86.50	88.00

Sales: 1,586 (1,710) lots of 40 tonnes.

RUBBER

The London physical market opened slightly steadier, met selling at the higher levels, and closed on an easier note, reports Lewis and Peat. The Kuala Lumpur February fob price for RSS No. 1 was — (266.55) a kg and SMR 20 — (230.5).

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Mch	911-920	915-920	—
Apr.	913-920	914-919	—
Apl-Jne.	915-916	920-921	927-914
Jly-Sept	927-928	932-933	935-927
Oct-Dec	938-939	943-944	947-946
JanMch	949-950	953-955	955-950
Apl-Jne.	961-963	965-968	—
Jly-Sept	973-974	978-980	—
Oct-Dec	984-990	992-999	—

Sales: 177 (120) lots of 15 tonnes: nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) spot 91.00p (same): March 90.75p (91.00p): April 91.25p (91.50p).

SOYABEAN MEAL

The market opened in dull conditions and prices remained in narrow ranges throughout the day, reports T.G. Roddick.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Feb	164.40-57.50	—0.50	—
April	162.60-65.00	—0.40	162.90-62.50
June	162.90-63.10	—0.40	162.90-62.50
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]

Sales: [illegible] lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £127.50 ($178.00), up £1.00 a tonne for Jan-Feb-March shipment. White sugar $205.00 (same).

No. 4 Con-tract	Yestday's close	Previous close	Business Done
	£ per tonne		
Mar	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]

No. 6 Contract	£ per tonne		
Mar	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]

Sales: [illegible] (1,147) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £234.50 (£233.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for Jan 27: Daily price 6.93 (6.97); 15-day average 6.98 (6.97).

HIDES

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg 97.1p a kg withdrawn (99.9p); 26-30.5 kg 112.5p a kg (109.7p withdrawn); 22-25.5 kg 123.5p a kg withdrawn (123.5p). Cows: 25.5 kg 123.0p a kg withdrawn (122.4p).

COTTON

LIVERPOOL—No spot or shipment sales were registered. The diminution in demand continued, and business was at minimal levels. Few contracts were mentioned, and the volume of interest on foreward account was severely restricted. Minor purchases were sought in specialist growths.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 580.5, 581.0, 580.5-577.5; May 599.0, 599.0, 599.0-589.0; July 614.0, 614.0, 614.0-601.0; Oct 594.0, 594.0, 594.0-588.0; Dec 600.0, 602.0, 601.0-593.0; March 613.5, 614.5, 614.0-612.0; May 620.0, 624.0, 620.0; July 635.0, 638.0, 636.0-631.0. Sales: 218.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 445, 451, 451-450; May 462, 467, 467-462; Aug 488, 489, 489-488; Oct 490, 491, 492-486; Dec 490, 491, 491-490; Jan 491, 492, 492-489; March 497, 498, 499-497; May 500, 502, 502-499; Aug 507, 509, 509-507. Sales: 422.

INDICES

FINANCIAL TIMES

Jan. 31	Jan. 30	M'th ago	Y'ar ago
295.75	295.60	296.34	255.73

(Base: July 1 1952=100)

REUTERS

Feb. 1	Jan. 31	M'th ago	Y'ar ago
1999.3	1994.6	1968.4	1667.8

(Base: September 18 1931=100)

MOODY'S

Jan. 31	Jan. 30	M'th ago	Yearago
1054.1	1055.9	1044.9	1071.3

(Base: December 31 1931=100)

DOW JONES

Dow Jones	Jan. 31	Jan. 30	Month ago	Year ago
Spot	136.83	136.32	137.1	146.97
Fut's	139.33	139.03	140.59	150.87

(Base: September 18 1931=100)

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.49p per kg lw (—2.68). GB—Sheep 174.31p per kg est dcw (—1.33). GB—Pigs 75.76p per kg lw (—4.17).

GRIMSBY FISH — Supply good, demand fair. Prices at ship's side (unprocessed) per stone: shelf cod £3.80-5.00, codlings £3.60-4.20; large haddock £4.50-4.70, medium £3.60-4.20, [illegible]

COVENT GARDEN — Prices for the bulk of produce, in sterling per package unless otherwise stated. English produce: [illegible]

AMERICAN MARKETS

NEW YORK, February 1.

Gold and silver firmed on further short-covering and technical buying, reports Heinold Commodities. Underlying the more favourable sentiment was a lack of cash offers along with a firmer tone to currencies. Copper was slightly higher in sympathy with precious metals. Cocoa was under pressure on long liquidation as traders awaited further clarification of West African crop prospects. Sugar was under pressure on a forecast of a odest increase in stocks by a major dealer in the 1983-84 crop year. Coffee was firm as better cash interest touched off short-covering. Cotton attracted light buying interest on continued indication of a drawdown in exchange stocks. Heating oil rallied on a sharper than expected drawdown in inventories. The grain complex rallied on short-covering attributed to the expected closing of the 1981 and 1982 maize reserves. The soyabean complex attracted fresh buying interest in reaction to better cash activity.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	74.35	74.60	74.30	74.10
May	75.25	75.35	75.30	75.00
July	76.35	76.60	76.55	76.10
Sept	77.45	—	—	77.20
Dec	79.10	—	—	78.85
Jan	79.65	—	—	79.40
March	80.75	—	—	80.50
May	81.85	—	—	81.60
July	82.95	—	—	82.70

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	2498	2549	2495	2521
May	2458	2507	2456	2502
July	2425	2480	2425	2482
Sept	2410	2450	2410	2462
Dec	2401	2425	2390	2424
March	2390	2409	2395	2399
May	2415	—	—	2394

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	143.66	43.90	42.25	42.44
May	137.50	37.85	37.05	37.05
July	134.25	34.50	33.90	33.78
Sept	131.86	32.01	31.85	31.75
Dec	129.72	30.00	29.80	29.80
March	127.88	28.35	27.75	27.88
May	126.05	—	—	26.00
July	124.50	—	—	—

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Feb	64.15	—	—	63.85
March	64.70	65.00	64.55	64.40
April	65.35	—	—	65.05
May	66.00	66.30	65.80	65.70
July	67.30	67.60	67.15	67.00
Sept	68.65	68.90	68.46	68.35
Dec	70.25	70.90	70.60	70.40
Jan	71.45	—	—	71.10
March	72.80	73.05	72.75	72.45
May	74.10	74.10	74.10	73.75

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	77.32	77.85	77.17	77.44
May	77.21	77.67	76.90	77.13
July	76.66	77.01	76.60	76.54
Oct	73.40	73.70	73.30	73.20
Dec	71.75	72.05	71.61	71.71
March	73.00	73.05	73.05	73.05
May	[illegible]	[illegible]	[illegible]	[illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

[illegible]

GOLD 100 troy oz, $/troy oz

[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

ORANGE JUICE 15,000 lb, cents/lb

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Feb	881.0	877.0	873.0	860.5
March	886.0	888.0	874.5	868.0
April	893.4	889.0	886.0	873.2
May	900.9	904.0	890.0	880.4
July	915.9	917.0	906.0	894.9
Sept	931.2	930.0	922.5	909.7
Dec	965.2	960.0	944.0	932.9
Jan	963.5	953.0	953.0	940.9
March	980.2	978.0	972.0	956.9
May	997.4	—	988.0	973.6

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	7.40	7.52	7.37	7.60
May	7.68	7.79	7.65	7.82
July	8.02	8.11	8.00	8.14
Sept	8.25	8.32	8.25	8.40
Oct	8.41	8.52	8.39	8.53
Jan	9.03	9.15	9.15	9.23
March	9.43	9.50	9.40	9.56
May	9.67	9.76	9.74	9.82
July	10.05	—	—	—

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	68.60	68.60	67.37	68.40
April	66.52	66.57	65.60	66.12
June	66.10	66.25	65.60	66.05
August	64.47	64.62	64.20	64.65
Oct	62.42	62.65	62.20	62.42
Dec	63.40	63.55	63.20	63.47

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	50.20	50.75	59.90	50.87
April	46.82	46.85	46.15	46.80
June	52.77	52.90	52.25	52.75
July	54.27	54.35	53.57	54.17
August	54.10	54.10	53.47	53.85
Oct	51.57	51.80	51.32	51.55
Dec	52.80	52.80	52.36	52.75
Feb	51.57	51.57	51.45	52.05
April	51.10	51.10	51.10	51.10

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	329.2	330.2	328.2	329.2
May	333.2	334.0	332.0	332.6
July	334.0	334.0	331.6	332.4
Sept	304.4	304.4	302.4	303.0
Dec	287.0	287.0	285.0	286.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000 lb, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

[illegible]

SPOT PRICES—Chicago loose lard 28.00 (29.00) cents per pound. New York tin 567.0-572.0 (565.0-568.0) cents per pound.

هكذا من الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar finishes near day's low

The dollar finished near its lowest levels of the day on the London foreign exchange market following further signs that U.S. economic growth is not as strong as once thought, and is now less likely to cause inflationary pressure and higher interest rates.

The unreliable nature of some statistics, at present the focus of market attention, was illustrated when the fall of 1.1 per cent in U.S. December durable goods announced last month was revised to an increase of 0.2 per cent. At the same time it was announced that U.S. factory orders rose 1 per cent in December, compared with 2 per cent in November.

A little earlier yesterday figures on U.S. construction spending in December were published, showing a fall of 0.2 per cent, and although the figure was still 14.5 per cent above the level of a year earlier it contributed to the dollar's decline.

U.S. traders initially entered the market as buyers of dollars, but the U.S. currency soon began to slide, led by demand for the D-mark, which market sources suggested was the result of investment demand for German stocks.

The dollar fell to DM 2.7910 *from DM 2.8170 against the* D-mark; FFr 8.5525 from FFr 8.6175 *against the French franc*; SwFr 2.2330 from SwFr 2.2530 in terms of the Swiss franc; and Y234.10 from Y234.70 against the Japanese yen.

STERLING — Trading range against the dollar in 1983-84 is 1.6345 to 1.3955. January average 1.4080. Trade-weighted index 81.8, compared with 81.7 at noon and in the morning, 81.8 at the previous close, and 85.6 six months ago.

Sterling opened at $1.4050-1.4060, and after touching a low of $1.4035-1.4045 improved to $1.4060-1.4070 at noon. It touched a late peak of $1.4105-1.4115, and closed at $1.4100-1.4110, a rise of 90 points on the day. The pound weakened against Continental currencies, but rose slightly to Y330.50 from Y329.25 against the yen. It fell to DM 3.94 from DM 3.95; to SwFr 3.1525 from SwFr 3.16; and to FFr 12.0450 from FFr 12.0750.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. January average 2.8109. Trade weighted index 123.7 against 125.2 six months ago.

The dollar was fixed at DM 2.8020 at yesterday's fixing in Frankfurt down from DM 2.8139 *on Tuesday. Trading was sub*dued for much of the day as the market tried to assess future dollar trends. This will depend on how dealers interpret economic statistics in trying to determine the pace of U.S. economic growth. Sterling was also slightly lower at DM 3.9420 from DM 3.9480 while the Swiss franc slipped to DM 1.2499 from DM 1.2542. Within the EMS, the French franc lost ground to DM 32.665 per FFr 100 from DM 32.655 and the Belgian franc to DM 4.8930 per BFr 100 from DM 4.8950.

BELGIAN FRANC—Trading range against the dollar in 1983-1984 is 57.92 to 45.90. January average 57.34. Trade weighted index 88.7 against 91.4 six months ago.

The Belgian central bank spent the equivalent of BFr 1.3bn in the week up to last Monday in defence of the Belgian franc. This was down from the previous week's total of BFr 10.3bn. Most of the intervention was directed at supporting the Belgian unit against the French franc. The Belgian franc remains the weakest member of the EMS, but while the D-mark remains relatively weak, there is little downward pressure. At yesterday's fixing the U.S. dollar was lower at BFr 57.27, compared with BFr 57.49, and sterling slipped to BFr 80.5825 from BFr 80.68. Within the EMS, the D-mark rose to BFr 20.4420 from BFr 20.4325.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.0922	+2.65	+1.97	±1.5447
Danish Krone ...	8.14104	8.18826	+0.58	−0.10	±1.6425
German D-Mark	2.24184	2.25439	+0.56	−0.12	±1.0642
French Franc ...	6.87456	6.90004	+0.37	−0.31	±1.4062
Dutch Guilder ...	2.52595	2.53981	+0.55	−0.13	±1.4964
Irish Punt	0.72569	0.729823	+0.54	−0.14	±1.6689
Italian Lira	1403.49	1374.57	−2.08	−2.06	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Feb. 1	Prev. close
Spot	$1.4090-4100	$1.4035-4045
1 month	0.04-0.07 dis	0.04-0.06 dis
3 months	0.15-0.19 dis	0.16-0.17 dis
12 months	0.70-0.85 dis	0.72-0.76 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Feb 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4035-1.4115	1.4100-1.4110	0.03-0.08c dis	−0.47	0.14-0.19dis	−0.47
Canada	1.7550-1.7600	1.7585-1.7595	0.05-0.15c dis	−0.76	0.18-0.28dis	−0.52
Nethlnd.	4.42½-4.45½	4.43-4.44	1½-1c pm	3.38	3⅜-3⅛ pm	3.16
Belgium	80.40-80.75	80.55-80.65	15-5c pm	−1.49	40-50 dis	−2.23
Denmark	14.26-14.31	14.27¾-14.28¾	2-2⅞ore dis	−1.99	6-7 dis	−1.80
Ireland	1.2725-1.2800	1.2760-1.2800	0.28-0.33p dis	−2.87	0.80-0.93dis	−2.71
W. Ger.	3.93-3.95½	3.93½-3.94½	1¾-1⅝pf pm	3.42	3¼-3 pm	3.30
Portugal	192.25-193.50	193.00-193.50	195-410c dis	−18.78	545-1145dis	−17.49
Spain	222.25-223.25	223.00-223.30	165-250c dis	−10.08	525-620dis	−10.28
Italy	2,395-2,406	2,402-2,406	14-16½ lire dis	−7.74	44½-46½dis	−7.57
Norway	11.05¾-11.08¼	11.07¼-11.07¾	3⅛-4ore dis	−4.00	9¾-10¼dis	−3.57
France	12.03½-12.07½	12.04-12.05	2¾-3¾c dis	−3.24	11½-12¼dis	−3.98
Sweden	11.46-11.51	11.49½-11.50½	1⅛-2⅜ore dis	−1.96	4¾-5¼ dis	−1.72
Japan	329-331½	330-331	1.87-1.70y pm	3.01	2.43-2.30 pm	2.86
Austria	27.70-27.86	27.77-27.82	7¾-6⅜gro pm	3.08	22-18¾ pm	2.93
Switz.	3.14½-3.17	3.14¾-3.15¾	1⅞-1¾c pm	6.18	4⅞-4¾ pm	5.65

Belgian rate is for convertible francs. Financial franc 82.30-82.40. Six-month forward dollar 0.30-0.35c dis, 12-month 0.72-0.82c dis.

THE DOLLAR SPOT AND FORWARD

Feb 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4035-1.4115	1.4100-1.4110	0.03-0.08c dis	−0.47	0.14-0.19dis	−0.47
Ireland†	1.1020-1.1070	1.1060-1.1070	0.24-0.15c pm	2.45	0.65-0.58 pm	2.23
Canada	1.2470-1.2483	1.2470-1.2475	par-0.02c dis	−0.10	0.01pm-0.01dis	—
Nethlnd.	3.1430-3.1580	3.1430-3.1450	1.03-0.93c pm	3.73	2.95-2.84 pm	3.67
Belgium	57.15-57.35	57.15-57.17	4½-5c dis	−1.10	24-28 dis	−1.82
Denmark	10.12½-10.17½	10.14½-10.14¾	½-1ore dis	−0.59	3½-4⅞ dis	−0.33
W. Ger.	2.7890-2.8050	2.7905-2.7915	0.94-0.89pf pm	3.92	2.65-2.60 pm	3.75
Portugal	136.40-137.50	136.40-136.90	135-265c dis	−18.36	375-785dis	−17.05
Spain	157.70-158.45	157.70-157.85	115-135c dis	−9.47	375-400 dis	−9.79
Italy	1,702-1,708½	1,703½-1,704½	10-10½ lire dis	−7.29	29½-30½dis	−7.08
Norway	7.8500-7.8670	7.8550-7.8600	2-2½ore dis	−3.43	5.50-6.40dis	−3.13
France	8.5400-8.5850	8.5500-8.5550	1.90-2.05c dis	−2.76	7.60-8.00dis	−3.64
Sweden	8.1550-8.1700	8.1550-8.1600	0.85-1.25ore dis	−1.62	2.45-2.95dis	−1.32
Japan	234.05-234.85	234.05-234.15	0.70-0.65y pm	3.46	1.95-1.94 pm	3.35
Austria	19.67-19.75¾	19.67¼-19.69¼	6.20-5.60gro pm	3.59	17.75-15.75pm	3.39
Switz.	2.2320-2.2465	2.2325-2.2335	1.25-1.20c pm	6.59	3.40-3.35 pm	6.02

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.37-58.42.

OTHER CURRENCIES

Feb. 1	£	$		Note Rates
Argentina Peso	27.03-27.10	19.26-19.28	Austria	27.60-27.90
Australia Dollar	1.5393-1.5516	1.0845-1.0855	Belgium	81.70-82.50
Brazil Cruzeiro	1,314.1-1,316.1	1,075-1,080	Denmark	14.24-14.38
Finland Markka	8.2340-8.3570	5.9250-5.9300	France	12.01-12.15
Greek Drachma	144.65-145.08	102.90-103.80	Germany	3.92½-3.96½
Hong Kong Dollar	10.97½-10.98¼	7.7950-7.7990	Italy	2390-2430
Iran Rial	125.20*	88.50*	Japan	329-334
Kuwait Dinar (KD)	0.41425-0.41445	0.2946-0.2948	Netherlands	4.41½-4.45½
Luxembourg Fr.	80.55-80.65	57.15-57.17	Norway	11.01-11.12
Malaysia Dollar	3.2900-3.2950	2.3375-2.3395	Portugal	188-204
New Zealand Dlr.	2.1830-2.1880	1.5350-1.5360	Spain	222-233
Saudi Arab. Riyal	4.9390-4.9450	3.5125-3.5150	Sweden	11.42-11.53
Singapore Dollar	2.9890-3.0020	2.1265-2.1285	Switzerland	3.14-3.17
Sth African Rand	1.7783-1.7830	1.2610-1.2635	United States	1.39¾-1.41¼
U.A.E. Dirham	5.1645-5.1715	3.6720-3.6730	Yugoslavia	203-211

*Selling rates.

CURRENCY MOVEMENTS

Feb. 1	Bank of England Index	Morgan Guaranty Changes %
Sterling	81.8	−8.6
U.S. dollar	131.4	+18.8
Canadian dollar	92.4	+0.6
Austrian schilling	113.7	+2.4
Belgian franc	88.7	−12.4
Danish kroner	77.6	−6.7
Deutsche mark	123.7	+6.8
Swiss franc	149.1	+15.5
Guilder	115.5	+3.7
French franc	65.5	−15.7
Lira	48.4	−12.5
Yen	156.8	+12.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 1	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.736190	0.571710
U.S. $	8½	1.03523	0.805139
Canadian $	—	1.29	1.00457
Austria Sch.	3¾	20.4499	15.9015
Belgian F	10	59.2876	46.0922
Danish Kr	7	10.5289	8.18826
D'mark	4	2.90071	2.25439
Guilder	5	3.26667	2.53981
French F	9½	8.87503	6.90004
Lira	17	1767.40	1374.57
Yen	5	242.268	188.830
Norwgn Kr.	8	8.14308	6.32960
Spanish Pta.	—	163.878	127.494
Swedish Kr.	8½	8.45524	6.57315
Swiss Fr.	4	2.33130	1.80811
Greek Dr'ch	20½	106.805	83.0420

* CS/SDR rate for January 31: 1.29189

EXCHANGE CROSS RATES

Feb. 1	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.411	3.943	330.5	12.046	3.153	4.435	2404.	1.759	80.60
U.S. Dollar	0.709	1.	2.791	234.1	8.563	2.235	3.144	1704.	1.247	57.16
Deutschemark	0.254	0.358	1.	83.85	3.055	0.800	1.125	609.5	0.446	20.44
Japanese Yen 1,000	3.026	4.268	11.93	1000.	36.44	9.539	13.43	7271.	5.322	243.9
French Franc 10	0.830	1.171	3.273	274.4	10.	2.617	3.683	1995.	1.460	66.92
Swiss Franc	0.317	0.447	1.251	104.8	3.821	1.	1.407	762.3	0.558	25.57
Dutch Guilder	0.225	0.318	0.889	74.52	2.716	0.711	1.	541.8	0.397	18.17
Italian Lira 1,000	0.416	0.587	1.641	137.5	5.012	1.312	1.846	1000.	0.732	33.54
Canadian Dollar	0.569	0.802	2.241	187.9	6.848	1.792	2.521	1366.	1.	45.82
Belgian Franc 100	1.241	1.750	4.891	410.0	14.94	3.911	5.502	2981.	2.182	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9⅛-9¼	9⅜-9⅝	9⅝-9⅞	5⅝-5¾	3½-3¾	5⅝-5⅝	12-12¼	15½-16½	9-9½	9¼-9¾	6 6⅛	7½-8
7 days' notice	9⅛ 9¼	9⅝-9⅝	9⅝-9⅞	5⅛-5⅛	2⅛-2⅝	5⅝ 5¾	12-12¼	16-17½	9½-10	10¼-10½	6⅛-6⅛	10¼-10¾
Month	9⅛-9¼	9½-9¾	9⅛-9¾	5⅛-5⅞	2⅞-3⅛	5⅝ 5¾	12⅛-12⅜	16¼-17	10½-11	10⅜-10⅝	6⅛-6⅛	10⅞-11⅜
Three months	9⅝-9⅞	9⅝-9⅞	9⅝-9⅞	5⅜-6⅛	3⅛-3⅜	5⅜-5⅝	13-13¼	16¾-17¼	11½-12	10¾-11	6⅛-6⅜	10⅞-11⅜
Six months	9⅞-9⅞	9⅞-10⅛	9⅞-10⅛	6⅛-6¼	3⅜-3⅝	6⅛-6¼	13¾-14	17⅛-17⅝	11⅛-12	11⅛-11⅜	6⅛-6⅜	10⅞-11⅜
One year	9⅞-9⅞	10⅛-10⅛	10-10¼	6⅜-6½	4 4⅛	6⅛-6⅛	14⅜-14⅝	17¾-18¼	11¼-11¾	11⅛-11⅜	6⅛-6⅛	11-11½

Asian $ (closing rates in Singapore): Short-term 9⅛-9½ per cent; seven days 9⁷⁄₁₆-9⁹⁄₁₆ per cent; one month 9⁹⁄₁₆-9¹¹⁄₁₆ per cent; three months 9¹¹⁄₁₆-9¹³⁄₁₆ per cent; six months 9⅞-10 per cent; one year 10³⁄₁₆-10⁵⁄₁₆ per cent. Long-term Eurodollars two years 10⅞-11⅛ per cent; three years 11⅜-11⅝ per cent; four years 11⅞-12⅛ per cent; five years 12-12⅜ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

London rates easier

Interest rates were a little easier overall on the London money market yesterday. Three-month interbank eased slightly to 9⅞ per cent from 9¹⁵⁄₁₆ per cent, while discount houses buying rates for three-month eligible bank bills were 8⅞-8¹⁵⁄₁₆ per cent, compared with 8¹⁵⁄₁₆ per cent previously.

The Bank of England forecast a money market shortage of about £300m, but this was later revised to £400m. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £147m, and bills for repurchase by the market another £74m. Exchequer transactions absorbed £30m, and a rise in the note circulation some £69m. The only offsetting factor was above target bank balances of £29m.

The authorities gave total help of only £286m, however. Before lunch £142m bills were bought by way of £66m bank bills in band 2 (15-33 days) at 9 per cent; £18m bank bills in band 3 (34-63 days) at 8¹⁵⁄₁₆ per cent; £1m local authority bills in band 4 (64-91 days) at 8⅞ per cent; and £57m bank bills in band 4 at 8⅞ per cent.

In the afternoon another £99m bills were purchased through *£3m Treasury bills in band 1 (up* to 14 days maturity) at 9⅛ per cent; £5m local authority bills in band 1 at 9⅛ per cent; £13m bank bills in band 1 at 9⅛ per cent; £11m Treasury bills in band 2 at 9 per cent; £31m bank bills in band 2 at 9 per cent; £8m bank bills in band 3 at 8¹⁵⁄₁₆ per cent; £2m local authority bills in band 4 at 8⅞ per cent; and £26m bank bills in band 4 at 8⅞ per cent.

The Bank of England also gave late assistance of around £45m.

In Frankfurt call money firmed to 5.55 per cent from 5.525 per cent in quiet trading as banks built up stocks of reserve assets at the beginning of the month. The Bundesbank council meets tomorrow, but no press conference will follow, which is usually an indication that credit policies will be unchanged. No change has been *expected in the Lombard rate of* 5.5 per cent, but the money market hopes the authorities will announce a new securities repurchase agreement to replace the DM 7.9bn draining from the market next Monday when an earlier agreement expires.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Feb. 1	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.6	12	1-2	5⅝-5¾	6.09375	17⅝-18	8.50	12⅛-12⅜
One month	5.60-5.75	12⅛-12⅛	3⅛-3¼	5¾-5⅞	6.21875	17½-17⅞	10⅝-10¾	12⅛-12⅜
Two months	5.85-6.00	12⅛-12⅛	—	—	—	—	—	12⅛-12⅜
Three months	5.95-6.10	12¼-12⅜	3½-3⅝	5⅞-6⅛	6.28125	17¾-18⅛	10½-11	12⅛-12⅜
Six months	6.10-6.30	12⅜-12½	—	6⅛-6⅛	—	—	11⅛-11⅜	12⅛-12⅜
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Feb. 1 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	9¾-10	9	9⅛-9½	9-9¼	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or 7 day notice	—	9⅛-9¼	9-9⅛	9¼-9⅛	9-9⅛	—	—	—	—	—
One month	9¼ 9⅛	9⅛-9⅛	9¼	9⅜-9½	9-9⅛	9-9⅛	8⅞	9-9⅛	8⅞-9	9⅛
Two months	9⅛-9¼	9¼-9⅜	9⅛	9⅛	9-9⅛	8⅞	8⅞	8⅞-8⅞	8⅞-8⅞	9⅛
Three months	9⅞-9⅞	9⅞-9⅞	9⅜	9⅝	9-9⅛	8⅞	8⅞-8⅞	8⅞-8⅞	8⅞-8⅞	9⅛
Six months	9⅛-9⅜	9⅞-9⅞	9⅝	—	—	—	—	8⅞-9	8⅞	9⅛
Nine months	9⅞ 9½	9⅝ 9⅞	9¾	—	—	—	—	—	—	—
One year	9⅞ 9⅞	9⅞-10	9⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅝-9⅜	—	9⅛	9.4-9.5	8½ 8¾	9⅛ 9¼
Two months	9⅝-9⅜	—	9¼	9.45-9.55	8⅝-8⅞	9⅛ 9⅜
Three months	9⅝ 9½	—	9⅞	9.55-9.65	8¾-9	9⅞ 9⅞
Six months	9⅝ 9⅞	—	9⅞	9.65-9.75	9-9¼	9⅝ 9⅞
Nine months	9⅞-9½	—	9⅞	9.7-9.9	—	—
One year	9⅞-9½	—	10	9.9-10.1	9¼-9½	9⅞ 10⅛
Two years	—	10⅝	—	—	—	—
Three years	—	10⅞	—	—	—	—
Four years	—	11	—	—	—	—
Five years	—	11⅛	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ *per cent from February 1 1984*. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8590 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month: 9½ per cent; one-three months 9¾ per cent; three-six months 10 per cent; six-12 months 10¼ per cent. Under £100,000 9½ per cent from January 12. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10⅛-10½
Fed funds	9⅛
Fed funds at intervention	9⅛

Treasury Bills

One month	8.75
Two month	8.80
Three month	8.90
Six month	8.97
One year	9.00

Treasury Bonds

Two year	100⅛
Three year	100⁹⁄₃₂
Four year	100¾
Five year	100⅛
Seven year	100⁹⁄₃₂
10 year	100⁹⁄₃₂
30 year	101⁹⁄₃₂

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. February 1)

3 months U.S. dollars	
bid 9 11/16	offer 9 13/16

6 months U.S. dollars	
bid 9 7/8	offer 10

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Gilts erratic

Gilts prices moved erratically in the London International Financial Futures Exchange yesterday to finish slightly firmer on the day. Values were marked down initially as early selling developed on a softer U.S. bond market. The weaker trend soon dried up however with buying in the cash market together with some bargain hunting helping to *push values to the day's highs.* Sterling's better performance underlined the recovery. The rally continued until the announcement of U.S. durable goods which showed a revised 0.2 per cent rise after an earlier estimated fall of 1.1 per cent. Gilt prices fell from the day's highs to finish only slightly up from Tuesday.

The December gilt price opened at 108-30 up from 108-28 on Tuesday but fell to a low of 108-20 before recovering to touch a best level of 109-04. It closed at 108-30.

Euro-dollar prices opened lower in rather lacklustre trading. Interest for much of the day remained focused on details of the U.S. refunding package, due for release after the close of U.S. markets. Consequently prices were confined to a narrow range with volume notably down from the previous day. Most business in the March contract took place in a 90.22-90.33 range but news of a revised U.S. durable goods figure depressed the market and the March price finished at 90.21, down from an opening level of 90.22 and Tuesday's close of 90.24.

Short sterling prices were slightly firmer in quiet trading, reflecting sporadic falls in the cash market. The March price traded in a narrow two point range before finishing at 90.68 up from 90.67 on Tuesday.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.21	90.23	90.19	90.24
June	89.84	89.86	89.83	89.87
Sept	89.52	89.54	89.51	89.55
Dec	89.23	89.24	89.22	89.26
March	88.96	88.96	88.94	88.99

Volume 1,588 (2,392)
Previous day's open int 10,051 (9,594)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.68	90.69	90.67	90.67
June	90.43	90.44	90.41	90.41
Sept	90.24	—	—	90.23
Dec	90.10	—	—	90.11

Volume 589 (649)
Previous day's open int 6,141 (6,078)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	108-30	109-04	108-20	108-28
June	108-06	108-05	108-00	108-03
Sept	107-21	107-21	109-09	107-22
Dec	107-08	—	—	107-09
March	105-27	—	—	106-29

Volume 2,439 (2,475)
Previous day's open int 4,812 (4,471)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 22 to 32 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4108	1.4094	1.4092	1.4010
June	1.4108	—	—	1.4055
Sept	1.4138	—	—	1.4045

Volume 239 (158)
Previous day's open int 2,450 (2,427)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3592	0.3592	0.3590	0.3562
June	0.3624	—	—	0.3594
Sept	0.3676	—	—	0.3646

Volume 54 (18)
Previous day's open int 376 (373)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4496	0.4496	0.4492	0.4470
June	0.4559	0.4559	0.4556	0.4533
Sept	—	—	—	—

Volume 2 (24)
Previous day's open int 177 (151)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4281	0.4294	0.4277	0.4277
June	0.4316	—	—	0.4314

Volume 13 (8)
Previous day's open int 253 (258)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	70-30	70-30	70-23	70-26
June	70-10	70-10	70-04	70-07
Sept	69-24	69-24	69-20	69-21
Dec	69-07	69-07	69-03	69-05
March	68-23	68-23	68-20	68-22
June	68-09	68-09	68-06	68-08
Sept	—	—	—	67-28
Dec	67-18	67-18	67-15	67-17

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	91.07	91.07	91.02	91.05
June	90.72	90.72	90.69	90.72
Sept	90.43	90.43	90.40	90.42
Dec	90.15	90.15	90.13	90.14
March	89.88	89.88	89.86	89.87
June	89.62	89.63	89.61	89.62
Sept	—	—	—	89.41
Dec	—	—	—	89.20

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.45	90.45	90.39	90.43
June	90.01	90.01	89.97	90.00
Sept	89.66	89.66	89.62	89.63
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

THREE-MONTH EURODOLLAR (IMM) $m points of 100%

	Latest	High	Low	Prev
March	89.97	89.98	89.93	89.96
June	89.59	89.59	89.55	89.58
Sept	89.26	89.26	89.22	89.24
Dec	88.96	88.96	88.93	88.94
March	88.65	88.66	88.61	88.63
June	88.36	88.36	88.34	88.34

STERLING (IMM) Se per £

	Latest	High	Low	Prev
March	1.4105	1.4125	1.4070	1.4040
June	1.4120	1.4145	1.4085	1.4055
Sept	1.4150	1.4170	1.4105	1.4075
Dec	1.4170	1.4180	1.4170	1.4095
March	1.4190	1.4200	1.4190	1.4115

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	70-00	70-09	69-26	69-29
June	69-01	69-02	68-27	68-31
Sept	68-06	68-06	68-01	68-03
Dec	67-13	67-13	67-09	67-10
March	—	—	—	—
June	—	—	—	66-01
Sept	—	—	—	65-17
Dec	65-03	65-04	65-00	65-03

COMPANY NOTICES

TAVOY TIN DREDGING CORPORATION LIMITED
(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN that a General Meeting of the Members of the above-named Corporation will be held at 40 Holborn Viaduct, London EC1P 1AJ, on Friday, 24th day of February, 1984 at 10 a.m. to receive the Account of the Liquidator showing how the winding up of the Corporation has been conducted during the twelve months ended the 27th day of November, 1983 and to hear any explanations that may be given by the Liquidator.

Any Member entitled to attend and vote at the above-mentioned Meeting is entitled to appoint a proxy (or substitute) to attend and vote instead of him. A proxy need not be a Member of the Corporation.

DATED this 1st day of February, 1984.

G. STREET,
Liquidator.

40, Holborn Viaduct,
London, EC1P 1AJ.

NOTICE TO HOLDERS OF NBE FINANCE (CAYMAN) LIMITED

US$40,000,000 GTD FLOATING RATE SERIAL NOTES DUE 1987

NOTICE IS HEREBY GIVEN that pursuant to Condition 7 (b) of the Notes, NBE Finance (Cayman) Limited have not purchased any Notes, and as at 19th December, 1983 the full amount of US$40,000,000 was still outstanding.

NBE FINANCE (CAYMAN) LIMITED

2nd February, 1984.

KIRSH TRADING GROUP LIMITED
(formerly Checkers Stores Limited)

NOTICE TO SHAREHOLDERS DIVIDENDS ON PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that the Board of Directors has declared the following dividends payable on 29 February, 1984, to 6%, 5%, Second 5% and Third 5% Preference shareholders respectively, registered in the books of the Company at the close of business on Friday, 10 February, 1984:

A—6% CUMULATIVE PREFERENCE SHARES—DIVIDEND NO. 96
A dividend at the rate of 6% per annum for the six months ending 29 February, 1984—equivalent to 6 cents per share.

B—5% CUMULATIVE PREFERENCE SHARES—DIVIDEND NO. 82
A dividend at the rate of 5% per annum for the six months ending 29 February, 1984—equivalent to 5 cents per share.

C—SECOND 5% CUMULATIVE PREFERENCE SHARES—DIVIDEND NO. 76
A dividend at the rate of 5% per annum for the six months ending 29 February, 1984—equivalent to 5 cents per share.

D—THIRD 5% CUMULATIVE PREFERENCE SHARES—DIVIDEND NO. 74
A dividend at the rate of 5% per annum for the six months ending 29 February, 1984—equivalent to 5 cents per share.

The dividends are declared in South African currency and dividends payable from the London Office will be paid in United Kingdom currency calculated at the rate of exchange ruling between Rand and Sterling on 24 February, 1984.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of United Kingdom income tax at rates to be arrived at after allowing for relief (if any) in respect of South African taxes.

The Company will, where applicable, deduct the Non-Resident Shareholders' Tax of 15% from dividends payable.

For the purpose of paying the above dividends the Share Registers in respect of the above Preference Shares will be closed from 11 February, 1984 to 24 February, 1984, both days inclusive.

Dividend cheques in payment will be posted on or after 29 February, 1984.

By Order of the Board,
B. C. CRAGG, Secretary.

Registered Office:
220 Commissioner Street,
Johannesburg 2001

South African Transfer Secretaries:
Central Registrars Ltd.,
154 Market Street,
Johannesburg 2001
(P.O. Box 4844
Johannesburg 2000).

London Transfer Secretaries:
Ravensbourne Registration Services Limited,
Bourne House,
34 Beckenham Road,
Beckenham,
Kent. BR3 4TU.
United Kingdom.

INTERNATIONAL CAPITAL MARKETS

New issues keep coming despite dull secondary market

BY MARY ANN SIEGHART IN LONDON

THE Eurodollar bond primary market continued strong yesterday in the face of a lacklustre secondary market. There were $350m worth of bonds launched and more are believed to be coming.

Alaska Housing Agency's $100m bond, which is backed by the Federal National Mortgage Association, was well-received, trading at a tiny discount of ½ point from its par issue price.

Coming soon after its $125m floating rate note issue last December, Creditanstalt Bankverein, the Austrian bank, is raising another $150m through an FRN on even tighter terms.

To show how the market has improved since, the all-in cost to the borrower on a straight line basis of this issue is just 0.11 per cent over six-month Libor.

The 12-year note pays ¹⁄₁₆ per cent over six-month Libor at par with front-end fees of 0.58 per cent. Of this, co-managers receive 0.50 per cent. Merrill Lynch is leading the deal with European Banking Company, Manufacturers Hanover, Samuel Montagu, Morgan Stanley and S. G. Warburg.

Described by one dealer as "giving nothing away to the market," the deal traded at a discount of 0.50 per cent, right on the co-managers' commissions.

Minebea Company, the Japanese ball-bearing manufacturer, was the latest in the line of Japanese borrowers to issue a popular equity-linked bond. The $100m deal has a five-year life and an indicated coupon of 6¼ per cent.

Each $5,000 bond has one warrant to buy $5,000 worth of Minebea shares.

Nomura International is leading the deal with Baring Brothers, Daiwa Europe, Lloyds Bank International and LTCB International. It traded immediately at a premium to its issue price.

Today should see the launch of a $50m floating rate note from the Finnish national oil company, led by Morgan Guaranty. Nippon Oil is likely to be the next Japanese equity-linked issuer in the dollar sector.

Lead manager Orion Royal said yesterday it had increased Canadian Occidental Petroleum's bond from C$50m to C$60m. It still traded around its par price.

The European Investment Bank is raising £75m through an eight-year Eurosterling issue led by Morgan Grenfell. Of this, £50m will be issued initially and the balance on tap.

The bond has a 10¾ per cent coupon at a price of 97½, giving a yield to maturity of 11.24 per cent. It traded slowly in the pre-market at a discount of about 1½ points outside its selling concession.

In Germany, Credit National is raising DM 200m through a 10-year bond paying an 8½ per cent coupon at a price of 99½. Led by Commerzbank, the bond was well-received, trading at a small ¾ point discount.

Today should see the launch of the Council of Europe's DM 150m bond led by BHF-Bank. The issue has a 10-year life and a coupon of 8¼ per cent at a price of 100¼.

The dollar secondary market was quiet, with prices easing off slightly on the day. Prices in both Switzerland and Germany improved, with some D-Mark bonds rising by as much as ½ point.

Fine margin on credit for Qatar Petroleum

BY OUR EUROMARKETS CORRESPONDENT

QATAR Petroleum Company is launching a $100m, eight-year credit, offering a relatively rare lending opportunity.

The borrower is paying a margin of ½ per cent over London Eurodollar rates for the loan, which is needed to finance an ethylene and polyethylene plant. Repayments will start after a grace period of four years.

This is a relatively fine margin, but the loan is expected to appeal to offshore banking units in Bahrain which are seeking to offset a decline in business with Saudi Arabia.

The lead management group is already heavily tilted towards Arab banks. It comprises: Apicorp, Arab Bank Investment Company, Gulf International, Lloyds Bank International, Qatar National Bank and UBAF.

● Dresdner Bank is close to the launch of the $150m medium-term credit for the Foreign Trade Bank of the Soviet Union. It has been sounding out the market for the loan since late last year, but the deal has taken a long time to materialise because of difficulty agreeing suitable terms. The borrower was seeking a margin of only ⅝ per cent, while lenders were seeking a spread closer to ⅞ per cent.

● Industrias Xerograficas of Mexico has launched a $100m commercial paper programme in the U.S. to help to repay existing dollar debt.

The programme will mean substantial debt service savings for the borrower, which is the Mexican subsidiary of Xerox Corporation. The commercial paper market is used by U.S. corporations to place their surplus cash. Rates for borrowers are normally well below those charged by commercial banks.

Bankers Trust, which is acting as sales agent for the programme, has already used a commercial programme for another Mexican corporation, Procter & Gamble de Mexico, as a means of avoiding the fees and high interest margins charged on a rescheduling.

Netherlands announces new state loan

By Walter Ellis in Amsterdam

THE Dutch Government yesterday announced its second state loan this year and its third with a payment date in 1984.

The new bond, like its two immediate predecessors, will have a yield of 8.5 per cent but, unlike the most recent issue, will be put out to tender until February 5.

Total volume and issue price will be disclosed on March 15. Redemption of the loan, which has a life of seven years, will be in four annual instalments, starting on March 15 1988.

The Dutch Finance Ministry is understood to have been somewhat disappointed with the performance of its January issue, which raised only Fl 1.75bn ($564m) despite being priced at 100 per cent. In fact, the last two issues between them brought in only Fl 3.75bn, compared with Fl 8.5bn netted in 1983 by a single 9.5 per cent bond.

BHF Bank bond average

Feb 1		Previous
98.617		98.539
High	1983-84	Low
102.017		97.698

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for February 1.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Comm 11¼ 90	100	100¾	100⅞	0	-0⅛	11.09
Australia Comm 11½ 95	300	97¾	97⅞	0	+0⅛	11.88
Australia Comm 11⅝ 98	100	97¼	97⅞	-0⅛	+0⅛	11.96
Bank of Tokyo 11 90	100	95¼	95⅝	-0⅛	0	12.09
Bank of Tokyo 11⅞ 90	100	98¾	98⅞	-0⅛	+0⅛	12.16
Britoil Fin 11⅞ 90	125	99¾	100¼	0	+0⅛	11.84
Canada 10⅞ 88	500	98¾	98⅞	0	+0⅛	11.23
C.C.C.E. 12⅝ 95	75	100¼	100¾	0	0	12.51
C.I.B.C. 11 90	75	92¼	93	0	0	12.75
Citicorp O/S 10⅞ 90	100	91½	92	0	0	12.31
Citicorp O/S 11¼ 90	100	98⅛	98⅝	-0⅛	0	12.09
Den Norsk Cred 11¼ 93	50	92½	93	0	0	12.59
Denmark Kingdom 12¼ 93	100	98¾	98⅞	0	+0⅜	12.49
E.C.S.C. 11⅞ 90	75	99¾	99⅞	-0⅛	+0⅛	11.92
E.D.F. 11⅛ 93	100	93⅞	94⅛	0	+0⅛	12.24
E.E.C. 11 87	350	98½	99	-0⅛	0	11.40
E.E.C. 12 93	50	99¾	100¼	-0⅛	+0¼	11.96
E.I.B. 10¾ 93	200	92⅜	92⅞	0	+0⅛	12.09
E.I.B. 11 91	125	95⅛	95⅝	0	+0¼	11.98
E.I.B. 11½ 90	200	97⅛	97⅝	0	+0⅛	12.07
Eksportfinans 11½ 90	100	97⅛	97⅝	+0⅛	+0¼	12.08
Electrolux 10½ 90	50	92¾	93¼	0	-0⅛	12.11
Fuji Int Fin 10⅞ 90	100	93¾	94¼	0	+0¼	12.27
GMAC O/S Fin 11⅜ 90	100	99½	100	0	0	11.40
Honeywell Int 10⅞ 90	100	96⅛	96⅝	0	+0⅛	11.59
IC Indust Fin 11⅞ 98	75	96⅛	96⅝	0	-0⅛	12.41
Indust Bk Japan 11⅞ 91	100	99¼	99¾	+0¼	+0⅜	11.95
ITT Finance 11½ 89 WW	125	99⅝	100⅛	0	+0⅛	11.51
Japan Air Lines 10⅞ 98	42	92⅝	93⅛	0	+0½	11.92
Japan Air Lines 11 93	75	95	95½	0	+0¼	11.84
J.C. Penney 11⅞ 90	100	100⅝	100⅞	0	-0⅛	11.71
J. P. Morgan 11⅜ 90 WW	150	98⅞	99⅜	0	+0¼	11.54
Levi Strauss Int 11 90	75	97	97½	+0⅛	+0⅝	11.60
L.T.C.B. 10¾ 90	100	93½	94	0	+0½	12.19
L.T.C.B. 12½ 90	85	102	102½	0	+0⅜	11.96
Merrill Lynch 10⅝ 90	200	95⅛	95⅝	0	+0¼	11.66
Mitsubishi Fin 11⅜ 90	100	96	96½	0	+0¾	12.22
Nippon Credit 11 90	100	94¼	94¾	0	+0¼	12.28
Nippon Credit 11⅞ 90	100	98	98½	0	+0½	12.24
Ontario Hydro 10⅛ 90	250	93⅝	94⅛	0	+0⅛	11.65
Ontario Hydro 11¾ 90	200	100⅜	100⅞	0	+0⅛	11.58
Pacific Gas & Elec 12 91	75	101½	102	-0⅛	-0¼	11.62
P.K. Banken 12 90 WW	75	97⅜	97⅞	0	+0⅜	12.51
Prudential 10⅛ 93 WW	150	95⅝	96⅛	0	+0⅜	10.84
Prudential 10⅛ 93 XW	150	90	90½	0	+0⅛	11.84
Quebec Hydro 11½ 92	100†	98	98½	0	+0⅛	11.81
Sears O/S Fin 11½ 88	125	101⅛	101⅝	0	0	11.09
Sears O/S Fin 11⅝ 91	150	98⅝	99⅛	+0⅛	0	11.87
Sears O/S Fin 11⅝ 93	150	98⅜	98⅞	0	+0⅛	11.85
Sth Cal Edison 10½ 90	75	95⅛	95⅝	0	+0⅛	11.55
Sumitomo Fin 10⅞ 90	100	93½	94	-0⅛	0	12.32
Texaco Capital 10½ 93	200	94⅝	95⅛	0	+0⅜	11.38
Tokai Asia Ltd 12¼ 91	100	99¼	99¾	0	-0⅛	12.33
U.B.S. 10 88	100	98⅜	98⅞	0	+0⅛	10.39
World Bank 11⅛ 88	100	99	99½	-0⅛	+0⅛	11.43
World Bank 11⅛ 90	200	96⅝	97⅛	0	+0⅜	11.92
World Bank 11½ 90	150	98⅛	98⅝	0	+0¼	11.84
World Bank 12 93	200	100¼	100¾	0	+0⅛	11.88

Av. price changes: on day 0, on week +⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Int'l 8¼ 91	100	98⅛	98⅝	+0⅛	+0½	8.56
A.N.A.S. 8½ 91	150	98½	98¾	+0¼	+0⅜	8.77
Arab Banking Corp 8 88	100	96⅝	97⅛	-0⅛	+0⅜	8.83
Asian Dev Bk 8½ 93	200	100⅛	100⅝	+0⅛	+0⅛	8.43
Austria, Rep 7⅝ 88	100	100¼	100¾	0	-0⅛	7.49
Avon Int Fin 7½ 93	100	100⅛	100⅞	-0⅜	-0⅜	7.42
Barclays O/S 8¼ 98	250	99⅞	100⅜	+0⅛	+1⅛	8.11
Beatrice Foods 7¾ 93	130	102¾	103¼	+0⅛	+0⅛	7.30
E.C.S.C. 8 90	100	100⅝	101⅛	0	+0¼	7.76
E.I.B. 8 93	200	98⅞	99⅜	+0⅛	0	8.12
Eurofima 7½ 90	100	100⅞	101⅜	+0¼	+0½	7.24
Europarat 8¼ 93	150	99⅞	100⅜	-0⅛	0	8.22
Finland Rep 8 90	150	100½	101	+0⅛	+0⅜	7.87
I.A.D.B. 8⅛ 93	150	97⅞	98⅜	+0⅛	+0⅜	8.53
Int Standard Ele 7⅞ 90	100	101⅛	101⅞	+0⅛	+0⅞	7.98
Int Standard Ele 7¾ 93	100	101¼	101⅞	-0⅛	-0¼	7.49
Ireland 8⅜ 91	150	100½	100⅞	-0⅛	0	8.52
Japan Dev Bank 7½ 90	100	100⅝	101⅛	-0⅛	+0⅛	7.31
L.T.C.B. 8 90	100	101	101½	0	0	7.73
Megal Fin 8¼ 94	150	97⅛	97⅝	+0¼	+0¼	8.65
Sth Africa Rep 8½ 91	200	100¼	100¾	+0½	+1⅛	8.48
S.N.C.F. 8⅛ 93	100	99½	100	-0⅛	-0⅛	8.16
VEBA Int Fin 4 93 WW	300	136⅝	137⅝	+5⅜	+7⅛	0.29
VEBA Int Fin 4 93 XW	300	77½	78¼	0	+0⅜	7.16
World Bank 7¾ 88	300	100⅛	100⅝	0	+0¼	7.77
World Bank 8 93	300	98¾	99¼	0	+0⅛	8.15

Av. price changes: on day +½, on week +¾

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 7⅛ 91	57	77⅝	77⅞	0	+0½	11.75
Bank of Tokyo 6 91	100	102½	102¾	-0⅛	+0⅛	5.56
Denmark 6⅝ 91	100	103	103¼	-0⅛	+0⅜	5.84
E.E.C. 6 93	100	100¾	101	-0⅛	0	5.87
Elec Power Dev 5⅝ 93	100	100¾	101	+0⅜	+0⅛	5.51
Eurlparat 6⅛ 93	100	101¼	101½	+0⅛	+1⅛	5.93
Ind Fund Fin 6¼ 91	40	101½	101¾	-0⅛	-0⅛	5.97
Int-Am Dev Bk 6 93	100	100¼	100½	+0⅛	-0⅛	5.94
Ireland 6½ 93	80	102	102¼	-0⅛	+0⅛	6.20
Japan Dev Bank 5⅝ 93	100	103	103¼	+0⅛	+0⅛	5.45
Jap Highway Pub 5⅝ 91	100	101	101¼	-0⅛	-0⅛	5.44
Kansai Ele Power 6 91	100	102⅜	103	+0⅛	+0⅛	5.51
Manitoba Prov 5½ 93	100	101¾	102	+0⅛	-0⅛	5.25
Mont Blanc Tunl 6⅝ 93	35	103⅛	103⅜	0	-0⅛	5.92
Mount Isa Finance 6 93	100	102¾	103	-0⅜	-0¼	5.58
Mtg Bk Denmark 6⅛ 91	80	101¾	102	-0⅛	0	5.93
New Brunswick 5¾ 93	100	102	102¼	-0⅛	0	5.46
Nippon Tel & Tel 5⅜ 93	100	103	103¼	-0⅛	+0⅜	5.33
Nissbin Steel 6¼ 91	100	101	101¼	-0⅛	-0⅜	6.05
Osterr Post 6⅛ 91	100	104	104½	+0⅛	+1	5.41
Quebec Province 5⅝ 93	100	101½	101¾	+0⅜	+0⅛	5.49
Shikoku Elec Power 6 91	100	102	102¼	-0⅜	-0⅜	5.65
Soc Lux Cent 5⅞ 93	100	99½	99¾	-0⅛	-0⅛	5.80
Sumitomo Heavy Ind 6 91	100	101¼	101⅜	0	0	5.79
Tokyo Elec Power 5⅜ 91	100	103¼	103½	-0⅛	0	5.32
Trizec Corp 6⅛ 93	100	101½	101¾	-0⅛	0	5.98

Av. price changes: on day 0, on week +⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	106⅞	107⅜	+0⅛	0	7.45
E.I.B. 8⅛ 92	15	103½	104¼	0	0	7.60
Int-Am Dev Bk 7⅞ 93	15	102¾	103⅛	0	+0¼	7.46
New Zealand 7⅞ 89	15	103⅜	104⅛	+0⅛	0	6.68
World Bank 7⅝ 93	20	102⅝	103⅛	0	+0¼	7.18

Av. price changes: on day 0, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 C$	125	97⅝	98⅛	+0⅛	-0⅛	12.37
Brit Col Tel 12¼ 99 C$	70	99⅜	99⅞	+0¼	+0⅜	12.30
E.I.B. 12⅛ 91 C$	80†	97¾	97⅞	-0¼	-0⅛	12.60
Loblaw 12½ 90 C$	35†	98	98½	0	-0⅛	12.88
Montreal City of 12 90 C$	50†	98	98½	0	-0⅛	12.37
Royal Trusco 12⅛ 88 C$	50†	101½	101⅞	+0⅛	-0⅛	12.10
World Bank 12¼ 90 C$	75†	100⅞	101⅜	0	-0⅛	11.98
Compagnie Banc 11 90 ECU	37	98⅞	99⅜	0	0	11.14
SDR France 11⅝ 95 ECU	20†	100½	101	+0¼	+0⅜	11.50
Algemene Bank 8¾ 88 Fl	150	102⅛	102⅝	-0⅛	-0¼	8.08
Amro Bank 8¼ 88 Fl	100	102⅜	102⅞	-0¼	-0⅛	8.04
Bank Mees & Hope 9 88 Fl	75	102½	103	-0⅜	-0¼	8.24
Ned Middenstandbk 9 88 Fl	100	102	102½	-0⅛	-0½	8.38
Rabobank 9 88 Fl	100	102⅛	102⅝	0	-0⅜	8.38
World Bank 9 88 Fl	100	102⅜	102⅞	-0⅛	0	8.27
D.K.B 14 88 FF	400	101	102	0	-0⅛	13.88
Solvay & Cie 14⅛ 86 FF	200	102⅜	103⅜	+0⅛	0	13.05
B.F.C.E. 11½ 88 £	50	100	100½	-0⅛	0	11.38
British Oxyg 11¾ 91 £	50	100⅝	101⅜	0	0	11.51
CEPME 11¼ 95 £	35	104⅝	105⅜	0	+0⅜	10.44
CIBA-Geigy Int 8⅛ 93 £	25	102	103	0	+1	8.39
Commerzbank 11½ 90 £	25	98½	99¼	0	+0⅜	11.73
E.E.C. 11⅞ 93 £	50	101	101½	0	+0⅛	11.63
Fin For Ind 10½ 90 £	20	95⅛	95⅞	-0⅛	-0⅛	11.52
Finland Rep 11⅞ 88 £	50	101½	102⅛	0	+0⅛	11.25
Gen Elec Co 12½ 89 £	50	101¼	102	+0⅛	-2⅛	12.04
I.I.I. 10⅞ 93 £	25	95⅛	95⅞	-0⅛	0	11.58
I.I.I. 11½ 91 WW £	50†	99¾	100¾	0	-0⅛	11.43
Int Stand Ele 11⅛ 89 £	50	97⅞	98⅜	0	-0⅛	11.64
Norsk Hydro 12 90 £	30	102⅞	103⅝	0	+0⅜	11.23
Sweden 11¼ 93 £	50	97⅞	98⅝	0	+0⅜	11.53
Swed Exp Cred 11¼ 88 £	30	98⅛	99⅜	0	+0⅛	11.36
World Bank 11⅛ 88 £	100	99⅞	100⅛	0	+0⅛	11.16
Eurofima 10 91 LuxFr	600	99	100	-0⅛	-0⅛	10.08
Europarat 10¾ 93 LuxFr	600	99⅞	100⅞	+0⅛	0	10.67

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5⅛ 95	0⅛	99⅝	99⅞	8/6	10.31	10.43
Banco di Roma 5¼ 90	0¼	100	100¼	7/6	10½	10.49
Belgium 5 2004	0⅛	99½	99¾	9/7	10.31	10.35
Bk of New Yk 5¼ 96 $	0⅛	99½	99¾	12/4	10.06	10.16
C.C.F. 5¼ 95	0¼	100	100¼	7/4	9.94	9.93
C.C.F. 5¼ 98 $	0¼	100	100¼	24/3	10.19	10.17
Credit Foncier 5¼ 93	0¼	100⅛	100⅝	6/4	10	9.98
Credit Lyonnais 5¼ 96	0⅛	99½	99¾	18/7	10.19	10.23
Denmark 5¼ 99	3/16	99¾	100⅛	13/4	10	10.00
Die Erste Oes 5¼ 92	0⅛	99⅝	99⅞	27/7	10¼	10.30
Dresdner Fin 5¼ 93 XW $	0¼	100⅛	100⅜	19/4	9.94	9.91
EAB Fin 5 93 $	0¼	100⅛	100⅜	28/6	10.69	10.66
E.E.C. 5 90	0⅛	100⅛	100⅜	5/7	10⅜	10.35
Ent Int 5¼ 96†	0¼	99⅝	99⅞	21/6	10.81	10.85
Fst Interstate 5¼ 85 $	0⅛	99½	99¾	6/3	9.94	9.98
Fuji Int'l 5⅛ 96 $	0⅛	99¾	100	12/7	10¼	10.26
Genfinance 5 94	0⅛	99¾	100	19/7	10⅛	10.14
GZB 5¼ 98	0⅛	99⅝	100	28/5	10.19	10.20
Hispano 5⅛ 95	0¼	99½	99¾	28/4	10	10.14
Nat Bk Canada 5¼ 91 $†	0¼†	99	99¼	6/7	10.44	10.53
Quebec Hydro 5⅛ 94	0⅛	99¾	100	19/7	10⅛	10.14
Saitama Int 5¼ 93	0⅛	100	100¼	5/8	10.19	10.18
Soc Generale 5¼ 90 XW	0¼	100	100¼	9/5	10.31	10.30
Sweden 5¼ 2003 $	0¼	99⅞	100⅛	17/5	10.19	10.19

Av. price changes: on day 0, on week +⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
BBC Brown Boveri 4¼ 95	2/84†	100	100	101	-1	-5.58
Bridgestone Tire 5½ 98	3/82	470	129⅛	130⅛	+2½	6.56
Canon 7 97	7/82	888.2	248½	250½	+5	1.88
Daiwa Sec Co 5½ 98	10/83†	481.8	105	106½	0	0.57
Fanuc 3¾ 98	1/84	9142	139⅞	140⅞	+2¼	12.58
Hitachi Cable 5¼ 98	2/82	515	122¼	123¾	-1¾	-3.03
Honda Motor 5¼ 98	6/83	884	127½	128½	-0⅛	2.62
Honda Motor 5½ 97	3/83	759.6	145⅛	147⅛	-0⅛	8.36
Konishiroku Photo 4 98	10/83	673	115½	116⅞	+4⅜	7.63
Kyowa Hakko 6⅛ 97	2/83	762	121½	123	-1½	7.10
Minebea Co Ltd. 5½ 98	5/83	867	114⅜	115⅜	-0⅛	-1.88
Mitsubishi Electric 5⅛ 98	6/83	386	110½	111½	0	1.80
Mitsubishi Heavy 4⅞ 99	1/84	253	102⅜	103⅜	-0⅛	2.71
Murata 3½ 89	2/84	2939	124	125	+5	13.71
Nippon Oil Co 5½ 98	4/83	964	112⅜	113⅜	+0⅜	8.78
Nissan Motor 5⅜ 98	4/83	790	108⅛	109⅛	+0½	0.97
Olympus Optical 6⅞ 97	12/82	1157	115½	117	-0⅛	10.76
Orient Leasing 5⅛ 98	6/83	2880	113⅛	114⅝	+12¼	17.40
Secom 5 98	11/83	2920	180⅝	182¼	+11½	4.71
Yamaichi Sec Co 5 98	8/83	449.5	103¾	105¼	-0⅛	-0.29
Yamanouchi Pharm'cal 4 98	10/83	1808	183	184¼	+0⅜	31.93
Bridge Oil 4⅞ 93 SF	3/84	3.43	111	113	0	24.35
Nippon Airway 2⅝ 94 SF	2/84†	364	102	104	0	-0.95
Toshiba 2⅝ 94 SF	1/84†	391	113½	116½	-0⅛	2.31
Asics 5 92 DM	12/83	520	115½	116½	-0½	18.84
Sum Realty 6⅛ 92 DM	2/83	385	134⅜	135⅜	+0⅛	-5.29

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week — Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date — Date next coupon becomes effective. Spread — Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. — current coupon. Cu. yld — current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cov. date — First date for conversion into shares. Cov. price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.